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83^D CONGRESS
2^D SESSION

S. 3137

IN THE SENATE OF THE UNITED STATES

MARCH 15 (legislative day, MARCH 1), 1954

Mr. AIKEN (for himself, Mr. THYE, Mr. SCHOEPPLE, and Mr. EASTLAND) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utili-
6 zation, and for other purposes", approved August 28, 1937
7 (50 Stat. 869), is amended—

1 (1) By deleting the phrase “in the arid and semiarid
2 areas of the United States” from the first sentence in the
3 first section;

4 (2) By deleting the phrase “in the arid and semiarid
5 areas of the United States” in the last sentence of the first
6 section and inserting in lieu thereof the following: “in the
7 United States, including the Territories of Alaska and
8 Hawaii, and Puerto Rico and the Virgin Islands”.

9 (3) By deleting the phrase “in the said areas” wher-
10 ever it appears in section 2.

11 (4) By inserting at the end of said Act the following
12 new section:

13 “SEC. 8. No aid shall be extended under the provisions
14 of this Act which will result in any individual, partnership,
15 trust, estate, or unincorporated association becoming in-
16 debted to the United States in a principal amount outstand-
17 ing at any time in excess of \$25,000, or which will result
18 in any corporation or agency becoming indebted in a prin-
19 cipal amount outstanding at any time in excess of \$250,000,
20 or which after January 1, 1954, shall provide for construc-
21 tion work, other than technical assistance, being done by
22 the Secretary.”

23 SEC. 2. Section 7 of the Act entitled “An Act author-
24 izing construction of water conservation and utilization

1 projects in the Great Plains and arid and semiarid areas of
2 the United States”, approved August 11, 1939, as amended
3 (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is
4 repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. AIKEN, Mr. TAYLOR, Mr. SCHORRELL, and
Mr. EASTLAND

MARCH 15 (legislative day, MARCH 1), 1954
Read twice and referred to the Committee on
Agriculture and Forestry

83^D CONGRESS
2^D SESSION

H. R. 8386

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1954

Mr. HOPE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utiliza-
6 tion, and for other purposes", approved August 28, 1937 (50
7 Stat. 869), is amended—

1 (1) By deleting the phrase “in the arid and semiarid
2 areas of the United States” from the first sentence in the
3 first section.

4 (2) By deleting the phrase “in the arid and semiarid
5 areas of the United States” in the last sentence of the first
6 section and inserting in lieu thereof the following: “in the
7 United States, including the Territories of Alaska and Hawaii,
8 and Puerto Rico and the Virgin Islands”.

9 (3) By deleting the phrase “in the said areas” wherever
10 it appears in section 2.

11 (4) By inserting at the end of said Act the following
12 new section:

13 “SEC. 8. No aid shall be extended under the provisions
14 of this Act which will result in any individual, partnership,
15 trust, estate, or unincorporated association becoming indebted
16 to the United States in a principal amount outstanding at
17 any time in excess of \$25,000, or which will result in any
18 corporation or agency becoming indebted in a principal
19 amount outstanding at any time in excess of \$250,000, or
20 which after January 1, 1954, shall provide for construction
21 work, other than technical assistance, being done by the
22 Secretary.”

23 SEC. 2. Section 7 of the Act entitled “An Act author-

1 izing construction of water conservation and utilization proj-
2 ects in the Great Plains and arid and semiarid areas of the
3 United States'', approved August 11, 1939, as amended (53
4 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. Hore

MARCH 15, 1954

Referred to the Committee on Agriculture

83RD CONGRESS
2^D SESSION

H. R. 8398

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1954

Mr. ABERNETHY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to promote conservation in the
4 arid and semiarid areas of the United States by aiding in the
5 development of facilities for water storage and utilization, and
6 for other purposes", approved August 28, 1937 (50 Stat.
7 869), is amended—

1 (1) by deleting the phrase “in the arid and semi-
2 arid areas of the United States” from the first sentence
3 in the first section;

4 (2) by deleting the phrase “in the arid and semiarid
5 areas of the United States” in the last sentence of the
6 first section and inserting in lieu thereof the following:
7 “in the United States, including the Territories of Alaska
8 and Hawaii, and Puerto Rico and the Virgin Islands”;

9 (3) by deleting the phrase “in the said areas”
10 wherever it appears in section 2; and

11 (4) by inserting at the end of said Act the following
12 new section:

13 “SEC. 8. No aid shall be extended under the provisions of
14 this Act which will result in any individual, partnership,
15 trust, estate, or unincorporated association becoming indebted
16 to the United States in a principal amount outstanding at any
17 time in excess of \$25,000, or which will result in any cor-
18 poration or agency becoming indebted in a principal amount
19 outstanding at any time in excess of \$250,000, or which
20 after January 1, 1954, shall provide for construction work,
21 other than technical assistance, being done by the Secretary.”

22 SEC. 2. Section 7 of the Act entitled “An Act authoriz-

1 ing construction of water conservation and utilization projects
2 in the Great Plains and arid and semiarid areas of the United
3 States”, approved August 11, 1939, as amended (53 Stat.
4 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. ABERNETHY

MARCH 15, 1954

Referred to the Committee on Agriculture

83^D CONGRESS
2^D SESSION

H. R. 8874

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1954

Mr. BATTLE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utili-
6 zation, and for other purposes", approved August 28, 1937
7 (50 Stat. 869), is amended—

1 (1) By deleting the phrase “in the arid and semiarid
2 areas of the United States” from the first sentence in the
3 first section;

4 (2) By deleting the phrase “in the arid and semiarid
5 areas of the United States” in the last sentence of the first
6 section and inserting in lieu thereof the following: “in the
7 United States, including the Territories of Alaska and
8 Hawaii, and Puerto Rico and the Virgin Islands”.

9 (3) By deleting the phrase “in the said areas” wher-
10 ever it appears in section 2.

11 (4) By inserting at the end of said Act the following
12 new section:

13 “SEC. 8. No aid shall be extended under the provisions
14 of this Act which will result in any individual, partnership,
15 trust, estate, or unincorporated association becoming in-
16 debted to the United States in a principal amount outstand-
17 ing at any time in excess of \$25,000, or which will result
18 in any corporation or agency becoming indebted in a prin-
19 cipal amount outstanding at any time in excess of \$250,000,
20 or which after January 1, 1954, shall provide for construc-
21 tion work, other than technical assistance, being done by
22 the Secretary.”

23 SEC. 2. Section 7 of the Act entitled “An Act author-
24 izing construction of water conservation and utilization

1 projects in the Great Plains and arid and semiarid areas of
2 the United States", approved August 11, 1939, as amended
3 (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is
4 repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. BATTLE

APRIL 26, 1954

Referred to the Committee on Agriculture

83^D CONGRESS
2^D SESSION

H. R. 9069

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1954

Mr. CURTIS of Nebraska introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That the Act entitled "An Act to promote conservation in

4 the arid and semiarid areas of the United States by aiding

5 in the development of facilities for water storage and utili-

6 zation, and for other purposes", approved August 28, 1937

7 (50 Stat. 869), is amended—

8 (1) By deleting the phrase "in the arid and semiarid

1 areas of the United States” from the first sentence in the
2 first section.

3 (2) By deleting the phrase “in the arid and semiarid
4 areas of the United States” in the last sentence of the first
5 section and inserting in lieu thereof the following: “in the
6 United States, including the Territories of Alaska and
7 Hawaii, and Puerto Rico and the Virgin Islands”.

8 (3) By deleting the phrase “in the said areas”
9 wherever it appears in section 2.

10 (4) By inserting at the end of said Act the following
11 new section:

12 “SEC. 8. No aid shall be extended under the provisions
13 of this Act which will result in any individual, partnership,
14 trust, estate, or unincorporated association becoming in-
15 debted to the United States in a principal amount outstand-
16 ing at any time in excess of \$25,000, or which will result in
17 any corporation or agency becoming indebted in a principal
18 amount outstanding at any time in excess of \$250,000, or
19 which after January 1, 1954, shall provide for construction
20 work, other than technical assistance, being done by the
21 Secretary.

22 “SEC. 9. (a) In order to establish a program of insuring
23 loans made by lenders other than the United States which

1 comply with the requirements of this Act and are in fur-
2 therance of its objectives, the Secretary of Agriculture—

3 “(1) is authorized to insure and make commit-
4 ments to insure such loans on such terms and conditions
5 as he may prescribe;

6 “(2) is authorized to include in insurance con-
7 tracts agreements to service loans insured thereunder
8 and to purchase such loans which are not in default on
9 such terms and conditions as he may prescribe;

10 “(3) shall utilize the insurance fund (hereinafter
11 called the Fund) created by section 11 of the Bank-
12 head-Jones Farm Tenant Act, as amended, and the
13 provisions of sections 13 (b) and (c) of the said Bank-
14 head-Jones Farm Tenant Act to discharge obligations
15 under insurance contracts made pursuant to this Act;

16 “(4) shall require the borrower to pay such insur-
17 ance charges as he deems proper, taking into account
18 the amount of the loan and prior liens: *Provided, how-*
19 *ever,* That the charge shall be payable in advance at
20 intervals of 1 year or less and shall be at a rate equal to
21 at least 1 per centum per annum of the principal out-
22 standing on the loan insured on the due date of the
23 charge;

1 “(5) may utilize the Fund to pay taxes, insurance,
2 prior liens, and other expenses to protect the security
3 for loans which have been insured hereunder, and to
4 acquire such security property at foreclosure sale or
5 otherwise;

6 “(6) shall liquidate acquired security property in
7 such manner and on such terms as he deems will best
8 preserve the fund;

9 “(7) shall have authority to make such rules and
10 regulations and such delegations of authority as he deems
11 appropriate in order to carry out the provisions of this
12 Act.

13 “(b) Notes and the security therefor acquired by the
14 Secretary under insurance contracts shall become a part of the
15 fund. The notes may be held in the fund and collected
16 according to their terms or may be sold and reinsured. All
17 proceeds from such collections, including the liquidation of
18 security, and sales shall become a part of the fund.

19 “(c) One-half of all insurance charges shall become a
20 part of the fund and one-half shall be deposited in the
21 Treasury of the United States and shall be available for
22 administrative expenses in connection with the insurance
23 program authorized by this Act.

24 “(d) Any contract of insurance executed by the Secre-
25 tary under this Act shall be an obligation of the United States

1 and incontestable except for fraud or misrepresentation of
2 which the holder of the contract has actual knowledge. The
3 provisions of sections 11 and 13 (b) and (c) of the Bank-
4 head-Jones Farm Tenant Act, as amended, shall be appli-
5 cable and available for the purpose of providing funds for the
6 discharge of obligations arising under the insurance program
7 authorized by this Act.

8 “(e) The aggregate amount of the principal obligations
9 on loans insured under this Act, and on loans for which com-
10 mitments to insure may be issued hereunder shall not exceed
11 \$25,000,000 in any one fiscal year.

12 “(f) The first paragraph of section 24, chapter 6, of
13 the Federal Reserve Act, as amended (12 U. S. C., 1952
14 edition, 371) is hereby amended by inserting after the phrase
15 ‘Bankhead-Jones Farm Tenant Act’ the following: ‘, or the
16 Act of August 28, 1937, as amended’.”

17 SEC. 2. Section 7 of the Act entitled “An Act authorizing
18 construction of water conservation and utilization projects
19 in the Great Plains and arid and semiarid areas of the United
20 States”, approved August 11, 1939, as amended (53 Stat.
21 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. CURTIS of Nebraska

MAY 10, 1954

Referred to the Committee on Agriculture



WATER FACILITY LOANS

MAY 17 (legislative day, MAY 13), 1954.—Ordered to be printed

Mr. AIKEN, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 3137]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with amendments.

This bill, with the committee amendments, would (1) extend the benefits of the Water Facilities Act, which is now applicable only in the arid and semiarid areas of the United States, to the entire United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands; (2) replace the existing limitation on financial assistance of \$100,000 for any one project with a limitation on the outstanding indebtedness of any one debtor of \$25,000 in the case of an individual and \$250,000 in the case of a corporation or agency; and (3) provide for insured, as well as direct, loans.

The Water Facilities Act (16 U. S. C. 590r-590x) provides for financial and other aid in the construction and maintenance of facilities for water storage or utilization. In recent years this financial aid has been confined to loans, which are made with appropriated funds. The need for extending these loans to humid areas and changing the amount and type of limitation upon them is fully explained in the Department's letter requesting the legislation as set out below. The larger limitation applicable to corporations and agencies would permit cooperative and community projects covering a number of farms.

The addition of a provision for insurance of loans is recommended by your committee in order to provide for use of private funds and facilities to the greatest extent practicable, facilitate administration

of the program, and make loans available on a broader scope than would otherwise be possible. Insured loans for the same purposes are now available as farm-improvement loans under title I of the Bankhead-Jones Farm Tenant Act, but on a much more restricted basis than your committee believes should be applicable to this type of loan in view of the need for water storage and utilization facilities to combat drought. The committee amendment therefore provides for insurance of water-facilities loans, using the title I insurance fund, but not restricted to family-size farms, first mortgages, statutory interest rates, or other limitations applicable to title I loans. The Secretary would be authorized to contract to service these loans so as to make them attractive to insurance companies and other financial institutions which do not have their own facilities for servicing loans; and the Federal Reserve Act would be amended so as to exempt these loans from restrictions applicable to ordinary real-estate mortgages held by national banks. The total amount of insured loans which could be made in any 1 fiscal year would be \$25 million. With the committee amendments, the bill would fill the credit needs sought to be provided for by S. 3289 introduced by Senator Anderson and referred to this committee, making further action on S. 3289 unnecessary.

DEPARTMENTAL VIEWS

A copy of the letter from the Under Secretary of Agriculture transmitting this legislation for the consideration of the Congress is set out below:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 10, 1954.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill for the consideration of the Congress which would amend the provisions of the act of August 28, 1937, as amended, commonly known as the Water Facilities Act, relating to the conservation of soil and water resources in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization.

Briefly, this bill would effect two changes in the Water Facilities Act. First, it would make the provisions of the act applicable to the entire United States, including the Territories of Alaska and Hawaii and Puerto Rico and the Virgin Islands, thereby removing its present limited applicability to the arid and semiarid areas of the United States. Second, it would revise the limitation contained in section 7 of the act of August 11, 1939, as amended. Section 7 of that act, as amended, is an amendment of the Water Facilities Act. It limits the amount of Federal financial assistance to any one water facilities project to \$100,000 and defines the word "project." The proposed bill would replace that limit on the amount of Federal funds which could be expended on any one project with a limit of \$250,000 on the outstanding indebtedness of any corporation or agency by reason of assistance under the act, and a similar limitation of \$25,000 with respect to individuals, partnerships, trusts, estates, or unincorporated associations.

The Water Facilities Act authorizes the Secretary of Agriculture to formulate and keep current a program of projects for the construction and maintenance of water facilities and appurtenances to promote the proper utilization of land and to assist in providing facilities for water storage and utilization in the arid and semiarid areas of the United States. This legislation grew out of the facts revealed and the recommendations contained in the report of the President's Great Plains Committee entitled, "The Future of the Great Plains." The scope of the program has been limited to the 17 Western States commonly understood to contain most of the arid and semiarid areas of the country. In these areas, the quantity, quality, and availability of water for irrigation, livestock, and domestic use, rather than a lack of good soil, are frequently the primary limiting factors to

agricultural development and stability. The wastage and inadequate development and utilization of water resources on farm, grazing, and forest lands constitute a most significant problem and contribute to the failure of many of our western farms to produce near capacity, to crop failures, and to a decline in standards of living. Although considerable progress has been made in overcoming this problem, much remains to be done to eliminate it completely.

There is ample evidence of an extensive need in the less arid areas of the country for the development and improved use of water supplies for farm homes, for livestock, and for irrigation of small gardens. According to a preliminary report of the 1950 census of housing, approximately one-half of the 5,894,000 occupied rural farm dwellings have no running water. This condition undoubtedly exists in many instances because of a lack of developed sources of water or a need for replacing or improving existing sources. Frequently the development or improvement of suitable water supplies is so costly that it cannot be accomplished by farmers from available farm income in any 1 year. The availability of adequate credit on suitable terms for water development and utilization is one of the important factors in obtaining any desired improvement of this condition.

In areas of the country normally considered humid, there has been an increasing interest by farmers in water facilities to supplement rainfall in the production of some crops, in the maintenance of year-round pastures, and in the introduction of other practices for increasing production. It has been shown that the use of irrigation systems prevents serious losses of income during periods of drought in these areas.

Although water-facilities loans are now authorized in the 17 Western States, program operations relating to irrigation actually are limited to designated areas within those States. Before these areas were designated, it was necessary to conduct extensive technical studies into the availability of water resources, the feasibility of developing such resources, the proprietary right to use water, and the adaptability of the soils for the utilization of the water resources and for sound farming operations. If the program should be extended nationwide, we would expect to conduct similar technical studies of areas in the other States. Until this could be done, the scope and rate of development of that phase of the program dealing with irrigation in the less humid areas would be difficult to forecast.

The second proposed change is concerned with the size of water-facilities loans. Increase in the cost of materials and construction over the last several years necessitates a further increase in the size of any limit on the amount of financial assistance which may be given under the act.

Moreover, there is a need for loans larger than \$100,000 among cooperative water users associations, mutual irrigation companies, and irrigation districts. Usually the members of such organizations are unable to raise their prorata share of the cost of installations, and the organizations are unable to borrow the amount needed on suitable terms and conditions from commercial banks, cooperative credit sources, and other recognized lending institutions. There is now no source of financing the construction or rehabilitation of the systems of such organizations if their needs exceed \$100,000.

The limitation on the cost of water facilities projects financed under the Water Facilities Act first appeared in the acts appropriating funds for use under that act. The purpose of the limitation apparently was to avoid any overlapping of activities under the Water Facilities Act and the activities under the reclamation laws. When the Wheeler-Case Act was amended by the act of October 14, 1940, which authorized more intensive development of smaller reclamation, flood control, and power projects, the limitation was enacted into basic legislation. No new projects are now being constructed under the Wheeler-Case Act, due to the fact that the formula for the justification of such projects included the use of WPA and other relief labor, which is not now available.

The present limitation is as follows: "On any one project undertaken pursuant to the act of August 28, 1937, entitled 'An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes' (50 Stat. 869), as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation, or financial assistance of any one project, shall not exceed \$100,000 of Federal funds, whether appropriated or allotted or both. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section." As heretofore indicated this limitation would be repealed and be replaced by a loan limit of \$250,000.

Now that the smaller reclamation undertakings are no longer being developed under the Wheeler-Case Act there exists a gap between the size of the facilities which can be undertaken now under the Water Facilities Act and the projects being developed under the reclamation laws by the Bureau of Reclamation. That gap should be closed. This bill would be a step in that direction. The change would make possible loans for the construction or rehabilitation of needed projects for which Federal assistance is not now available. In addition, the present definition of the word "project" is extremely limiting and difficult of administration when applied to certain types of facilities which, although independently owned and operated, may be related by engineering features or by use of water to another project undertaken with Federal assistance under the Water Facilities Act. The proposed section 8 would, however, terminate the authority of the Secretary to do the construction work on projects. Thus any overlapping of authority between the Bureau of Reclamation and the Department of Agriculture would be avoided. In addition, loans to individuals, partnerships, trusts, estates, or unincorporated associations would be limited to an outstanding principal balance not in excess of \$25,000. Loans to this type of borrower are usually for improvements to individual farms or very small projects and it is not believed that loans for these purposes need exceed \$25,000 at the present time.

This proposed legislation is consistent with the President's budget message, which states that: "Existing legislation does not provide adequately for the financing of group water facilities and related small water supply projects. Proposals for legislation will be submitted at a later date to broaden the geographical area within which water facilities loans may be made, and to increase the loan limit."

It is believed that the additional funds necessary to carry out the water facilities program contemplated by this proposed legislation during the first year after its enactment would be \$5 million for the making of additional loans and \$350,000 for the administrative expenses in connection therewith.

The Department recommends the enactment of this proposed legislation.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 28, 1937

AN ACT To promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and forest lands [in the arid and semiarid areas of the United States] resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the [arid and semiarid areas of the] United States, *including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands.*

SEC. 2. In order to effectuate this policy and promote proper land use [in the said areas], the Secretary of Agriculture is hereby authorized, from time to time—

(1) To formulate and keep current a program of projects for the construction and maintenance [in the said areas] of ponds, reservoirs, wells, check-dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands

and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;

(2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of this Act, the facilities mentioned in section 2 (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of this Act;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of this Act;

(4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of this Act.

SEC. 3. The facilities included in the program provided for in section 2 (1) may be located—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 4. As a condition to extending benefits under this Act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this Act, require—

(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation, and equitable utilization of waters;

(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities;

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

SEC. 5. The Secretary of Agriculture, in administering the provisions of this Act, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in this Act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this Act, any funds available for the purposes of this Act.

SEC. 6. For the purposes of this Act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of lawbooks and books of reference, for printing and binding, for the purchases, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses, and for other administrative expenses; and

(3) Perform such acts, and prescribe such rules and regulations as he may deem proper to carry out the provisions of this Act.

SEC. 7. There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

SEC. 8. *No aid shall be extended under the provisions of this Act which will result in any individual, partnership, trust, estate, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.*

SEC. 9 (a) *In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this Act and are in furtherance of its objectives, the Secretary of Agriculture—*

(1) *is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;*

(2) *is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;*

(3) *shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this Act;*

(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens, provided, however, the charge shall be payable in advance at intervals of 1 year or less and shall be at a rate equal to at least 1 per centum per annum of the principal outstanding on the loan insured on the due date of the charge;

(5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund;

(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this Act.

(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.

(c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this Act.

(d) Any contract of insurance executed by the Secretary under this Act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this Act.

(e) The aggregate amount of the principal obligations on loans insured under this Act, shall not exceed \$25,000,000 in any one fiscal year.

(f) The first paragraph of section 24, Chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 ed., 371), is hereby amended by inserting after the phrase "Bankhead-Jones Farm Tenant Act" the following: ", or the Act of August 28, 1937, as amended".

THE FIRST PARAGRAPH OF SECTION 24, CHAPTER 6, OF THE FEDERAL RESERVE ACT

SEC. 24. Any national banking association may make real-estate loans secured by first liens upon improved real estate, including improved farmland and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold (1) under a lease for not less than ninety-nine years which is renewable, or (2) under a lease having a period of not less than fifty years to run from the date the loan is made or acquired by the national banking association, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association. The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 60 per centum of the appraised value of the real estate offered as security and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, and (2) the foregoing limitations and restrictions shall not prevent the renewal or extension of loans heretofore made and shall not apply to real-estate loans which are insured under the provisions of title II, title VI, title VIII, section 8 of title I, or title IX of the National Housing Act, or which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended. No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 60 per centum of the amount of its time and savings deposits, whichever is the greater. Any such association may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such association may pay upon

such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State in which such association is located.

SECTION 7 OF THE ACT OF AUGUST 11, 1939

【SEC. 7. On any one project undertaken pursuant to the Act of August 28, 1937, entitled "An Act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes" (50 Stat. 869), as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation or financial assistance of any one project, shall not exceed \$100,000 of Federal funds, whether appropriated or allotted or both. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section.】



Calendar No. 1374

83^d CONGRESS
2^d SESSION

S. 3137

[Report No. 1371]

IN THE SENATE OF THE UNITED STATES

MARCH 15 (legislative day, MARCH 1), 1954

Mr. AIKEN (for himself, Mr. THYE, Mr. SCHOEPPEL, Mr. EASTLAND, Mr. ANDERSON, Mr. CLEMENTS, Mr. ELLENDER, Mr. HICKENLOOPER, Mr. JOHNSTON of South Carolina, Mr. MUNDT, Mr. WELKER, Mr. YOUNG, Mr. CARLSON, Mr. CASE, Mr. FULBRIGHT, Mr. JOHNSON of Texas, Mr. KUCHEL, Mr. MANSFIELD, Mr. MONRONEY, and Mr. WILEY) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

MAY 17 (legislative day, MAY 13), 1954

Reported by Mr. AIKEN, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*
3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utili-

1 zation, and for other purposes", approved August 28, 1937
2 (50 Stat. 869), is amended—

3 (1) By deleting the phrase "in the arid and semiarid
4 areas of the United States" from the first sentence in the
5 first section;

6 (2) By deleting the phase "in the arid and semiarid
7 areas of the United States" in the last sentence of the first
8 section and inserting in lieu thereof the following: "in the
9 United States, including the Territories of Alaska and
10 Hawaii, and Puerto Rico and the Virgin Islands".

11 (3) By deleting the phrase "in the said areas" wher-
12 ever it appears in section 2.

13 (4) By inserting at the end of said Act the following
14 new ~~section~~ sections:

15 "SEC. 8. No aid shall be extended under the provisions
16 of this Act which will result in any individual, partnership,
17 trust, estate, or unincorporated association becoming in-
18 debted to the United States in a principal amount outstand-
19 ing at any time in excess of \$25,000, or which will result
20 in any corporation or agency becoming indebted in a prin-
21 cipal amount outstanding at any time in excess of \$250,000,
22 or which after January 1, 1954, shall provide for construc-
23 tion work, other than technical assistance, being done by
24 the Secretary."

25 "SEC. 9 (a) In order to establish a program of insuring

1 loans made by lenders other than the United States which
2 comply with the requirements of this Act and are in further-
3 ance of its objectives, the Secretary of Agriculture—

4 “(1) is authorized to insure and make commitments
5 to insure such loans on such terms and conditions as he
6 may prescribe;

7 “(2) is authorized to include in insurance contracts
8 agreements to service loans insured thereunder and to
9 purchase such loans which are not in default on such
10 terms and conditions as he may prescribe;

11 “(3) shall utilize the insurance fund (hereinafter
12 called the Fund) created by section 11 of the Bankhead-
13 Jones Farm Tenant Act, as amended, and the pro-
14 visions of sections 13 (b) and (c) of the said Bankhead-
15 Jones Farm Tenant Act to discharge obligations under
16 insurance contracts made pursuant to this Act;

17 “(4) shall require the borrower to pay such in-
18 surance charges as he deems proper, taking into account
19 the amount of the loan and prior liens: Provided, how-
20 ever, That the charge shall be payable in advance at
21 intervals of one year or less and shall be at a rate equal
22 to at least 1 per centum per annum of the principal out-
23 standing on the loan insured on the due date of the
24 charge;

25 “(5) may utilize the Fund to pay taxes, insurance,

1 prior liens, and other expenses to protect the security for
2 loans which have been insured hereunder, and to acquire
3 such security property at foreclosure sale or otherwise;

4 “(6) shall liquidate acquired security property in
5 such manner and on such terms as he deems will best
6 preserve the Fund; and

7 “(7) shall have authority to make such rules and
8 regulations and such delegations of authority as he deems
9 appropriate in order to carry out the provisions of this
10 Act.

11 “(b) Notes and the security therefor acquired by the
12 Secretary under insurance contracts shall become a part of
13 the Fund. The notes may be held in the Fund and collected
14 according to their terms or may be sold and reinsured. All
15 proceeds from such collections, including the liquidation of
16 security, and sales shall become a part of the Fund.

17 “(c) One-half of all insurance charges shall become a
18 part of the Fund and one-half shall be deposited in the Treas-
19 ury of the United States and shall be available for adminis-
20 trative expenses in connection with the insurance program
21 authorized by this Act.

22 “(d) Any contract of insurance executed by the Secretary
23 under this Act shall be an obligation of the United States and
24 incontestable except for fraud or misrepresentation of which
25 the holder of the contract has actual knowledge. The provi-

1 sions of sections 11 and 13 (b) and (c) of the Bankhead-
2 Jones Farm Tenant Act, as amended, shall be applicable and
3 available for the purpose of providing funds for the discharge
4 of obligations arising under the insurance program authorized
5 by this Act.

6 “(e) The aggregate amount of the principal obligations
7 on loans insured under this Act, shall not exceed \$25,000,000
8 in any one fiscal year.

9 “(f) The first paragraph of section 24, chapter 6, of the
10 Federal Reserve Act, as amended (12 U. S. C., 1952
11 edition, 371) is hereby amended by inserting after the phrase
12 ‘Bankhead-Jones Farm Tenant Act’ the following: ‘, or the
13 Act of August 28, 1937, as amended’.”

14 SEC. 2. Section 7 of the Act entitled “An Act author-
15 izing construction of water conservation and utilization
16 projects in the Great Plains and arid and semiarid areas of
17 the United States”, approved August 11, 1939, as amended
18 (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is
19 repealed.

A BILL

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. AIKEN, Mr. THYE, Mr. SCHOEPPEL, Mr. EASTLAND, Mr. ANDERSON, Mr. CLEMENTS, Mr. ELLENDER, Mr. HICKENLOOPER, Mr. JOHNSTON of South Carolina, Mr. MUNDY, Mr. WELKER, Mr. YOUNG, Mr. CARLSON, Mr. CASE, Mr. FULBRIGHT, Mr. JOHNSON of Texas, Mr. KUCHEL, Mr. MANSFIELD, Mr. MONRONEY, and Mr. WILEY

MARCH 15 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on
Agriculture and Forestry

MAY 17 (legislative day, MAY 13), 1954

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 18, 1954
For actions of May 17, 1954
83rd-2nd, No. 90

CONTENTS

Banking and currency.....12,22	Farm program.....26	Prices, support.....20
CCC.....3	Flammable fabrics.....7	Purchasing.....32
Census.....30	Forests and forestry.....2	School lunch.....28
Chemicals in food.....34	Holiday.....4	Small business.....21
Civil defense.....9	Lands, public.....6,15	Soil conservation.....5
Cooperatives.....14	reclamation.....6,16	St. Lawrence seaway.....25
County committees.....19	transfer.....5	Tariff rates.....33
Credit unions.....27	Livestock and meat.....10	Trade, foreign.....18,23
Dairy products.....24,31	Loans, farm.....1,14	Transportation.....17
Disaster loans.....14	Nominations.....3	Virgin Islands.....10
Education.....11,35	Personnel.....29	Water facilities.....1
Electrification.....13	Poultry.....10	

HIGHLIGHTS: Senate committee reported bills to amend Water Facilities Act and approve Southeastern Forest Fire Compact. Senate committee reported Farrington nomination to CCC Board. Senate passed bill on land management in Eden project, Wyo. Senate passed bill to modify Flammable Fabrics Act. House committee reported emergency farm loans bill. Reps. Jones and Hoffman criticized ASC committee operations in Mo. and Mich.

SENATE

1. WATER FACILITIES LOANS. The Agriculture and Forestry Committee reported with amendments S. 3137, to increase the limit on individual loans under the Water Facilities Act and to make the Act applicable to the entire country (S. Rept. 1371)(p. 6258). Sen. Aiken gave a list of additional cosponsors of the bill (pp. 6258-9).
2. FORESTRY. The Agriculture and Forestry Committee reported without amendment S. 2786, granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact (S. Rept. 1372)(p. 6258).
3. CCC NOMINATION. The Agriculture and Forestry Committee reported the nomination of Robert L. Farrington to be a member of the Board of Directors of the Commodity Credit Corporation (p. 6271).
4. HOLIDAY. The Judiciary Committee reported without amendment H. R. 7786, to change the name of Armistice Day to "Veterans' Day" (S. Rept. 1359)(p. 6258).
5. SOIL CONSERVATION. Passed without amendment H. R. 7057, to authorize the Secretaries of Agriculture and Interior to transfer, exchange, and dispose of land in the Eden project, Wyo. (p. 6282). This bill will now be sent to the President.
6. PUBLIC LANDS. Passed without amendment H. R. 6186, to authorize the Secretary of the Interior to grant a preference right to users of withdrawn public lands for grazing purposes when the lands are restored from the withdrawal (p. 6286). This bill will now be sent to the President.

H. R. 2512, to modernize the Small Tract Act, was placed at the foot of the calendar at the request of Sen. Smathers (p. 6287).

7. FLAMMABLE FABRICS. Passed without amendment S. 3379, to amend the Flammable Fabrics Act so as to exempt fabrics and wearing apparel which are not highly flammable (pp. 6284-5).
8. RECLAMATION. Passed with amendments S. 118, to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Okla. (pp. 6279-82).
9. CIVIL DEFENSE. Passed with amendment H. R. 7308, which (as amended) would extend through June 30, 1958, the emergency powers of the Administrator of Civil Defense (p. 6290).
10. VIRGIN ISLANDS. Passed with amendments S. 3378, to revise the Organic Act of the Virgin Islands (pp. 6292-7). The bill includes amendments to the animal and poultry quarantine laws (see Digest 88). H. R. 5181, as reported in the House on May 13, contains similar amendments.
11. EDUCATION. Sen. Wiley spoke in favor of adequate funds to carry out the George-Barden Act regarding vocational education in agriculture, etc. (p. 6267).
12. BANKING AND CURRENCY. Sen. Bush defended the Federal Reserve Board against recent criticism by Rep. Patman (pp. 6267-8).
13. ELECTRIFICATION. S. 3090, to authorize transmission and disposition of electric energy generated at Falcon Dam, was discussed and passed over at the request of Sen. Morse (p. 6292).

HOUSE

14. FARM LOANS. The Agriculture Committee reported with amendment H. R. 8748, to eliminate the requirement that economic disaster loans be restricted to areas designated by the President, and make additional funds available for economic emergency loans (H. Rept. 1604) (p. 6348).
Received a proposed bill from FCA to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures; to Agriculture Committee (p. 6348).
15. PUBLIC LANDS. Received the conference report on H. R. 1815, to amend the Recreation Act of June 14, 1926, so as to broaden the Interior Department's authority to make lands available for public purposes to States and local governments, or to nonprofit organizations intending to use such lands for public purposes (H. Rept. 1605) (pp. 6316-7).
Passed as reported H. R. 7111, to authorize the grant or retrocession to a State of concurrent jurisdiction over Federal lands as may be necessary for roads and other rights-of-way (pp. 6321-2).
16. RECLAMATION. A subcommittee approved for reporting to the Interior and Insular Affairs Committee H. R. 236, authorizing construction of the Fryingpan-Arkansas project, Colo., and H. R. 8520, to provide for construction by Interior of the Ainsworth, Lavaca Flats, Mirage Flats, extension, and O'Neill irrigation developments as units of the Missouri River Basin project (p. D539).



Congressional Record

United States
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PROCEEDINGS AND DEBATES OF THE 83^d CONGRESS, SECOND SESSION

Vol. 100

WASHINGTON, MONDAY, MAY 17, 1954

No. 90

Senate

(Legislative day of Thursday, May 13, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, unchanging amid the changing years: In this still moment before demanding concerns engulf us may a holy hush within our spirits whisper words of courage and fortitude. Upon us all is a somber mood, colored with a sense of bitter loss, as we come with tender remembrance of a revered and honored Member of this body who stood with his colleagues here as the work of last week began, but who now, at the commencement of this, walks with us no more.

We are grateful that Thy servant, Clyde R. Hoey, was an American indeed, in whom was no guile; and that, walking in high places, he kept the common touch. As we cherish the memory of his long career as a public servant we are conscious that in politics, as elsewhere, he practiced his religion. Now that he is gone from this Chamber we are the better because his gentleness made him great, and because he was a saint without being sanctimonious. Daily he wore a red bloom, and always he wore the white flower of a blameless life.

"'Tis hard to take the burden up
When such have laid it down;
They brightened all the joy of life,
They softened every frown;
They cannot be where God is not,
On any sea or shore,
Whate'er betides, Thy love abides,
Our God for evermore."

We lift our prayer in the name of the Lord he adored. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 14, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVE OF ABSENCE

Mr. BUTLER of Maryland. Mr. President, at 3 o'clock this afternoon, in Baltimore, my good friend and colleague at the Maryland bar, the Honorable Rozel C. Thompson, will be sworn in as United States district judge for the district of Maryland. I ask unanimous consent that I may be excused from attendance on the session of the Senate today in order that I may attend the swearing-in ceremony.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate Committee on Finance may be permitted to meet during the session of the Senate today. I have already cleared the matter with the acting minority leader.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

On request of Mr. KUCHEL, and by unanimous consent, the Subcommittee on Internal Security of the Committee on the Judiciary was authorized to meet today during the session of the Senate.

TRIBUTES TO THE LATE SENATOR HOEY

Mr. HOLLAND. Mr. President, I wish that every Senator and every Member of the House of Representatives might have been present to gain inspiration from the impressive funeral ceremonies which were held in Shelby, N. C., last Saturday, May 15, for our beloved friend, Clyde R. Hoey, the late Senator from North Carolina. There, at his birthplace, which had always been his home during the 76 years of his life of high service to mankind, many thousands of his fellow citizens had gathered to pay their last sorrowing respects to their most distinguished native son, and to give expression to their deep affection for their friend and neighbor. The ceremonies were held at the Central Methodist Church of Shelby, his own church, after

which he was laid to rest in beautiful Sunset Cemetery, on a velvety green hill at the edge of the city. Thousands of citizens, young and old, both white and black, of high estate and from humble homes, came in genuine sorrow to mourn his passing.

I understand that the Senate will have a memorial service at an early date, convenient to the family of Senator Hoey, when Senators will have the opportunity to voice their personal tributes to a beloved friend and a truly great Senator. At this time, however, as the close friend and deskmate of Senator Hoey for nearly 8 years, for the information of those Members of the Senate and the House of Representatives who were unable to attend the funeral, I desire to have printed in the RECORD, first, the opening paragraphs from the leading news article of last Saturday in the Shelby Daily Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Nation's top Government leaders, the ranks of North Carolina's administrators, and thousands of friends and neighbors converged on Shelby today to pay final tribute to Senator Clyde R. Hoey.

Under gray skies solemn lines of high and low, mighty and humble began filing past the Senator's casket in Central Methodist Church at 10 o'clock this morning.

Even as his body was being placed in the sanctuary of the church where he had taught Sunday school for 32 years, the first lines formed.

The sanctuary was decorated in artistic simplicity with a wreath of red roses and white lilies. There were 3 crosses and 4 wreaths and a blanket of red roses. A wreath of white lilies from Mr. Hoey's fellow United States Senators was at the head of the casket.

Flowers at the home, the church, and Sunset Cemetery were predominantly red—the Senator's favorite color.

All seats in the main sanctuary were reserved for the family, members of the Senator's staff, State and Federal officials, and the press. Public address systems were set up to carry the service to those in other parts of the church and outside the building who were unable to view the rites.

Mr. HOLLAND. Secondly, Mr. President, I ask to have printed the full text of the eloquent and deeply moving eulogy

of Senator Hoey which was delivered with the utmost dignity and simplicity by Senator Hoey's pastor and close friend, the Reverend J. G. Huggin, Jr., pastor of the Central Methodist Church.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

From every walk of life and from every quarter of our Nation we are here to express our regard and affection for one who had so sure an instinct for what is good. The best evidences of it are in this town: his unpretentious home on a tree-lined street; his office, plainly and austere furnished, on a second floor over a store, reached by a flight of outside steps; his happy comradeship with the people of his home community. Especially is his feeling for what is best in life manifest in his human relations. He was one of the great, yet the plainest among us knew the warmth of his interest. So extensive were his powers that he moved with ease among the exalted of the earth; so broad were his sympathies that those of low degree moved with ease with him.

He lived serenely with problems that vex and trouble lesser people. He seemed to have a special gift for simplifying life's complexities. That is not hard to understand when we remember that for him the touchstone of existence was a simple faith in God and His providence. Were we sometimes surprised that while others remained baffled and discouraged, this man could quickly find a solution and never lose his optimism? We can find the answer to his hopeful simplification of life in the religious faith to which he witnessed by regularly teaching his Bible class whenever he was home, and sitting with his family in the common worship of the church. In the measure of his religious faith is to be found the spirit that informed his decisions and dictated his optimism.

To the true and tried he possessed a loyalty that was impregnable to outside allurements. He loved his community, the town of his birth, the friends of a lifetime; he wouldn't move away. He was loyal to his political party. He joined it long ago. He always thought that through it he could best serve his country, be the vagaries of national politics what they may. He loved his church. For him there were no values so lofty as those that reside in the centuries-old message of his red-brick church on the square of his home town.

He has a message for us all, "Hold fast to the simple virtues, be steadfast in your faith in God, and let that be the standard by which all is measured." Let us heed his counsel. In public office as well as in obscure areas where we live out our lives, let us listen once more to his mellow voice. Then shall our fears subside, and we can trust the future, certain that for us and for our country God's destiny will be wrought out.

One is tempted to say, "We shall not see his like again." Yet may we so strive for the best, following his unforgettable example, that about someone here, sometime, somebody will say, "That man is like Clyde R. Hoey." Life can offer scarcely a richer accolade than that.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order of the call of the roll be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF DIRECTOR, FOREIGN OPERATIONS ADMINISTRATION, RELATING TO EAST-WEST TRADE TRENDS

The PRESIDENT pro tempore laid before the Senate a letter from the Director, Foreign Operations Administration, transmitting, pursuant to law, the fourth semiannual report of that Administration, relating to East-West trade trends, for the second half of 1953, which, with the accompanying report, was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 974. A bill for the relief of certain Chinese children (Rept. No. 1342);

S. 992. A bill for the relief of Apostolos Savvas Vassiliadis (Rept. No. 1343);

S. 1165. A bill for the relief of Paul E. Roche (Rept. No. 1344);

S. 1382. A bill for the relief of Elie Joseph Hakim and family (Rept. No. 1345);

S. 1902. A bill for the relief of Theresa Elizabeth Leventer (Rept. No. 1346);

S. 1967. A bill for the relief of Paula Neumann Mahler (Paula Neumann Schibuk) (Rept. No. 1347);

S. 1991. A bill for the relief of Esperanza Jimenez Trejo (Rept. No. 1348);

H. R. 1345. A bill for the relief of John Lampropoulos (Rept. No. 1349);

H. R. 1772. A bill for the relief of Kenneth R. Kleinman (Rept. No. 1350);

H. R. 2022. A bill for the relief of Don B. Whelan (Rept. No. 1351);

H. R. 2433. A bill for the relief of the legal guardian of Raymond Gibson, a minor (Rept. No. 1352);

H. R. 3041. A bill to authorize the Secretary of the Interior to transfer to Frederick W. Lee the right, title, and interest of the United States in and to a certain invention (Rept. No. 1353);

H. R. 3109. A bill for the relief of Theodore W. Carlson (Rept. No. 1354);

H. R. 4532. A bill for the relief of Mrs. Ann Elizabeth Caulk (Rept. No. 1355);

H. R. 4961. A bill for the relief of Mrs. James J. O'Rourke (Rept. No. 1356);

H. R. 4996. A bill for the relief of Col. Henry M. Denning, and others (Rept. No. 1357);

H. R. 5772. A bill for the relief of Robert E. Leibbrand, and Rose Leibbrand (Rept. No. 1358); and

H. R. 7786. A bill to honor veterans on the 11th day of November of each year, a day dedicated to world peace (Rept. No. 1359).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 914. A bill for the relief of Mark Valner (Rept. No. 1360);

S. 1900. A bill for the relief of Gertrud Trindler O'Brien (Rept. No. 1361);

S. 1904. A bill for the relief of Ottilie Theresa Workmann (Rept. No. 1362);

S. 1959. A bill for the relief of Mrs. Anne-Marie Namias (Rept. No. 1363);

S. 2009. A bill for the relief of Mrs. Edward E. Jex (Rept. No. 1364);

S. 3103. A bill to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941 (Rept. No. 1365);

H. R. 1331. A bill for the relief of Mrs. Katherine L. Sewell (Rept. No. 1366);

H. R. 3522. A bill for the relief of Arthur S. Rosichan (Rept. No. 1367);

H. R. 6452. A bill for the relief of Mrs. Josette L. St. Marie (Rept. No. 1368); and

H. J. Res. 455. Joint resolution granting the status of permanent residence to certain aliens (Rept. No. 1369).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 1889. A bill for the relief of Margot Goldschmidt (Rept. No. 1370).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 3137. A bill to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, with amendments (Rept. No. 1371).

(See the remarks of Mr. AIKEN when he reported the above bill, which appear under a separate heading.)

By Mr. EASTLAND, from the Committee on Agriculture and Forestry:

S. 2786. A bill granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact; without amendment (Rept. No. 1372).

CONSERVATION OF WATER RE- SOURCE—REPORT OF A COM- MITTEE—ADDITIONAL COSPONS- ORS OF BILL

Mr. AIKEN. Mr. President, from the Committee on Agriculture and Forestry, I report favorably, with amendments, the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, and I submit a report (No. 1371) thereon.

I ask unanimous consent that the names of the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Carolina [Mr. JOHNSTON], the senior Senator from South Dakota [Mr. MUNDT], the Senator from Idaho [Mr. WELKER], the Senator from North Dakota [Mr. YOUNG], the Senator from Kansas [Mr. CARLSON], the junior Senator from South Dakota [Mr. CASE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from California [Mr. KUCHEL], the Senator from Montana [Mr. MANSFIELD], the Senator from Oklahoma [Mr. MONROE], and the Senator from Wisconsin [Mr.

WILEY] be added as cosponsors of the bill.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the names will be added as cosponsors of the bill, as requested by the Senator from Vermont.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. LANGER. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution favoring the suspension of deportation in the case of certain aliens, and I submit a report (No. 1341) thereon.

The PRESIDENT pro tempore. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 83) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-7049480, Acuna-Ruiz, Jesus.
A-7194255, Adams, Melsaidis Vanita.
A-7049736, Aguirre, Amparo Perez De.
A-7092581, Aguirre, Antonio Martinez.
A-6732156, Aguirre-Reyes, Guadalupe.
A-7367925, Alfaro-Hernandez, Alfredo.
A-7145096, Allen, Whitley Benjamin.
A-7083963, Alvarado, Juan.
A-7092831, Alvarado, Gertrudis De.
A-7056302, Alvarado, Nemesio.
A-6924791, Alvarado, Maria De La Luz.
A-7044190, Alvarez, Acencion.
A-7044191, Alvarez, Anastacio.
A-7070395, Alvarez-Garcia, Roberto.
A-7354297, Alvarez, Rodriguez, Alberto.
A-5949118, Amaro-Moreno, Refugio.
A-7117577, Amaro, Basilia Corpus De.
A-7222526, Amozurrutia-Lugo, Salvador.
A-7222539, Almaraz, Juana.
A-7463661, Anda, Celia Luna De.
A-7383364, Anda-Munoz, Jose Trinidad De.
A-7463664, Andrade-Vargas, Socorro.
A-7469341, Angei-Zarate, Ramon.
A-7240160, Angulo, Ercilia Galindo De.
A-7222737, Angulo-Medina, Pedro.
A-7379676, Aponte, Rosario Estevez Frias de.
A-7903287, Aranda, Maria Vasquez De.
A-7903288, Aranda-Vasquez, Romelia.
A-7903289, Aranda-Vasquez, Rogelio.
A-7903290, Aranda-Vasquez, Reynaldo.
A-7203308, Arias-Morales, Isaac.
A-7483202, Arizmendi-Rodriguez, Camilo.
A-7050091, Armendariz, Antonio B.
A-7358658, Armendariz-Rodriguez, Alberto.
A-7890506, Aspeitia-Salmeron, Ines.
A-7070731, Avitia, Francisco.
A-6079368, Ayala, Marcos Garcia.
A-7203384, Balderrama-Tapia, Faustino Humberto.
A-7203385, Balderrama-Lopez, Virginia.
A-7050479, Banuelos, Javier.
A-7050478, Banuelos, Vicente.
A-7070872, Baragas-Pulido, Salvador.
A-7985416, Barclay, Hazel Grace.
A-7886491, Barnes, Izolia Ophelia.
A-7178631, Barragan, Maria Rodriguez De.
A-6844549, Bejarano Luis Robies.
A-7957133, Beltran, Maria De La Luz Agüero De.
A-6855837, Beltran, Samleu.
A-7117989, Benitez, Raul Vasquez.
A-7945420, Bergley, Eva Euphemia.
A-5966283, Berkely, Richard James.

A-7830642, Bernal-Mata, David.
A-7890505, Blyden, Emanuel.
A-6101335, Borrayo-Rodriguez, Manuel.
A-6004182, Branche, Mavis Irene.
A-7189471, Brown, Uriah.
A-7375921, Bueno, Juan.
A-7375923, Bueno, Juan, Jr.
A-7375922, Bueno, Guadalupe.
A-6143848, Cabellera, Sara Torres-Ruiz de.
A-7130758, Cadena, Pablo.
A-8057399, Cajuste, Carmen.
A-9605699, Callwood, Samuel Israel.
A-8017504, Campa-Orozco, Francisco.
A-7137134, Campbell, Odilia Marcela Orane.
A-5882748, Candonzo-Leza, David.
A-6719053, Canton, Milled Idonia.
A-7189167, Cantu, Clara Garcia De.
A-7189253, Cantu-Hinojosa, Francisco.
A-7962138, Cardoso, Petra Caridad.
A-7387463, Cardoza-Perez, Rafael.
A-7058994, Carey, Delroy Samuel.
A-6874893, Carrasco, Americo.
A-6978022, Carrillo, Manuel B.
A-6965018, Campa, Mario Carrillo De.
A-7483469, Cartaya-Martinez, Aleida Leopoldina.
A-7224976, Carter, Dorothy Maud Johnson.
A-7188904, Casillas, Alberto.
A-6811076, Casillas, Enequina Santana De.
A-6929905, Casillas-Alcala, Ramon.
A-6802760, Casillas-Ochoa, Roberto.
A-6988887, Castellanos-Martinez, Pedro.
A-7070740, Castillo, Jose.
A-7874314, Castillo-Castillo, Aurelio.
A-7982039, Castillo-Reyes, Simon.
A-6948174, Castillo, Zenona Martinez de.
A-7112576, Castro, Emma.
A-7886492, Castro, Rafael Aguilar.
A-7127206, Castro-Esquivel, Salvador.
A-7264781T, Cepeda, Margarita Aguirre.
A-6622157, Cera-Ramirez, Jose.
A-7251641, Cerda, Tereso.
A-7476867, Cervera, Gertrudis Beltran.
A-7249825, Cervera-Villafana, Francisco.
A-7365937, Chambers, Alfred Anthy.
A-6373500, Chaparro, Roberto.
A-7049688, Chaparro, Roberto.
A-7049687, Chaparro, Lillia.
A-7049686, Chaparro, Hector.
A-3297406, Chavarria, Genaro.
A-7298510, Chavez, Sigifredo.
A-7873872, Chavez-Calderon, Jose.
A-6755436, Chavez-Marquez, Luis.
A-7050946, Chavez, Roberto.
A-7389923, Chavez-Ortiz, Jose.
A-6509457, Chen, Hubert.
A-5740575, Chinnery, Alton Edwardo.
A-5963583, Chinnery, Isabelita.
A-7933211, Chisholm, Ruth Allen.
A-6046841, Clarke, Cassandra.
A-7439859, Contreras, Felipa Dominguez De.
A-6851182, Contreras-Pais, Jesus.
A-6774270, Cordoba, Maria Ines.
A-5998725, Corral-Lopez, Lorenzo.
A-7241651, Cortez-Ruiz, Gonzalo.
A-7372071, Cosio, Maria Torres De.
A-7240606, Covarrubias-Saigado, Jose.
A-6592052, Cracium, Carmen Rosa.
A-6857769, Crisostomo-Martinez, Francisco.
A-7083971, Cruz, Jose Francisco.
A-7457369, Cruz, Juan De La.
A-7457371, Cruz, Soledad De La.
A-7457370, Cruz, Berta De La.
A-7457372, Cruz, Joaquin De La.
A-6919362, Cruz, Refugia Fernandez de la.
A-7280289, Cruz-Garcia, Anastacio.
A-6948097, Cruz-Padilla, Ignacio Santa.
A-7457924, Cunningham, Keith Ashley.
A-7178687, Davis, Clarence George.
A-6270412, Dawkins, Kemel Gladstone.
A-7251801, De-Anda, Antonio Lara.
A-7050448, Delaphena, Godfrey Howard.
A-6423475, Deigado, Maria Josefa (nee Castro).
A-5943038, Dessuit, Gladys Idalia.
A-6024058, Diaz, Concepcion Gonzalez De.
A-6378888, Diaz, Lazaro Rene.
A-6074448, Diaz-Cano, Gonzalo.

A-6334018, Diaz-Diaz, Jose.
A-7222036, Diaz-Renna, Manuel.
A-7886453, Diaz-Santos, Juan.
A-6920814, Diaz-Veledias, Felipe.
A-7049679, Dominguez, Consuelo.
A-7137812, Dominguez, Delia.
A-7137811, Dominguez, Pascual.
A-7137810, Dominguez, Manuel.
A-7137809, Dominguez, Teresa.
A-7130202, Dominguez, Raul.
A-7985523, Dominguez, Rosa Emilia Gutierrez y.
A-5974895, Donovan, Keturah Deicina.
A-6363361, Dosamantes-Perez, Jesus.
A-6978207, Duncan, Cleveland.
A-7390793, Duran, Angela Reyes de.
A-6078640, Duran-Tapia, Romulo.
A-7274247, Elizaldi, Josefina Solis De.
A-7445524, Escobar, Rosa Olivia Calzonzin.
A-7962471, Espinoza, Otilia Victoria Garcia De.
A-7476174, Esquivel, Marciano.
A-6556350, Esteves, Hermelinda Herrera de.
A-7092825, Estrada, Felipe.
A-6960361, Estrada, Santos.
A-7022965, Fahie, Gwendolyn Imie.
A-6761553, Fahie, Zephaniah.
A-7050950, Falcon, Isidoro.
A-7962043, Farrell-Murga, Argos.
A-7483479, Fernandez, Gildardo.
A-7297200, Fernandez, Ignacio.
A-7297202, Fernandez, Jose Ignacio.
A-7297201, Fernandez, Rosa Emma.
A-8015897, Ferro, Alan Richard Kelso de Montigny Y.
A-8015898, Ferro, Ronald James Kelso de Montigny Y.
A-7178590, Flores, Arturo, Ochoa.
A-8001048, Flores, Esther Perez-Kellar De.
A-7130952, Flores, Francisco.
A-7130545, Flores, Marcelina Martinez de.
A-7092826, Flores, Jesus.
A-7295794, Flores-Montion, Jose Jesus.
A-7137772, Flores, Rafael.
A-7137773, Flores, Soledad Rodarto De.
A-6822853, Fortune, Lillian Winifred.
A-7910734, Foster, Gladstone Theodore.
A-7356563, Foy, Richard Howard.
A-7927392, Fraire-Nunez, Nicolas.
A-5901042, Francis, Iris Feldara.
A-7809250, Franco-Bucio, Francisco.
A-6935601, Frausto, Xavier.
A-7273902, Frausto-Montoya, Xavier.
A-7273901, Frausto-Montoya, Irene.
A-5963738, Fredericks, Era Lucille.
A-3124503, Freeman, Blanche, Alma.
A-4747415, Freeman, Joseph Ivan.
A-6120852, Frias-Escoto, Narciso.
A-7415753, Fuentes-Ortega, Feliz.
A-7189220, Furett, Adina Augusta.
A-6985576, Gallegos-Gamez, Valentin.
A-7379784, Galvan, Celedino.
A-8021473, Galvan, Jesus Sandoval.
A-7417024, Galvan-Rodriguez, Daniel.
A-6512380, Galvez, Ochoa, Santos.
A-6858742, Gantong, Carmen Cuenca de.
A-7140277, Garcia, Belia Chavez De.
A-6877286, Garcia, Bruno.
A-7375420, Garcia, Favio or Trinidad Sanchez.
A-7439150, Garcia, Felipa Mareno De.
A-7841526, Garcia, Fortino.
A-6725019, Garcia, Jose Felipe Munoz.
A-6081916, Garcia, Julio.
A-7367917, Garcia, Manuel.
A-7145256, Garcia, Maria De Jesus Alvarez De.
A-7145257, Garcia, Aurelia.
A-8001576, Garcia, Maria Hernandez (nee Loza).
A-7137155, Garcia, Rosalio.
A-6877612, Garcia-Barron, Concepcion.
A-6877613, Garcia-Barron, Leodegaria.
A-6877611, Garcia-Barron, Otilia.
A-6791116, Garcia-Duran, Cirenio.
A-7264196, Garcia-Gonzalez, Guillermo.
A-6053843, Garcia-Mendoza, Martiniano.
A-6838493, Garcia-Negrete, Alberto.
A-6044332, Garcia-Ochoa, Federico.
A-6375102, Garcia-Ortiz, Jose.

A-7284794, Garcia-Ramirez, Jesus.
 A-6132965, Garcia-Razo, Pablo.
 A-7145046, Garcia-Robles, Maximino.
 A-7171741, Gentry, Maria De La Luz Zalza De.
 A-7079833, Gil, Marcos.
 A-7264220, Godina-Garcia, Benjamin.
 A-7137733, Gonzalez-Valdez, Ramon.
 A-7145043, Gonzales-Aguilar, Gilberto.
 A-6489508, Gonzalez-Alejo, Nicolas.
 A-7200693, Gonzalez-Gonzalez, Rito.
 A-7222076, Gonzalez-Fernandez, Benigno.
 A-7358647, Gonzalez, Francisco.
 A-7358665, Gonzalez, Guadalupe Perez.
 A-7222702, Gonzalez-Mena, Felipe.
 A-7394417, Gonzalez-Saldivar, Guadalupe.
 A-3674206, Granados, Antonio.
 A-6924780, Granados, Olga.
 A-6924781, Granados, Ricardo.
 A-7070745, Granillo, Jose.
 A-7070703, Granillo, Adela Valenzuela de.
 A-7140299, Granum, Frances Constantia.
 A-6377810, Gray, Winifred Eloise.
 A-7841609, Greaux, Joseph Sebastien.
 A-6093592, Greaux, Victor Pierre.
 A-7189837, Guadian, Lorenzo.
 A-7189840, Guadian, Olga.
 A-7189839, Guadian, Antonio.
 A-7189838, Guadian, Manuel.
 A-6288570, Guajardo-Flores, Ruben.
 A-7298511, Guerra-Arenas, Salvador.
 A-6989089, Guerrero, Esteban.
 A-7188291, Guerrola, Cruz.
 A-7188292, Gurrola, Margarita.
 A-6733866, Guevara-Natividad, Genaro.
 A-7203040, Gugman, Felipe.
 A-6989470, Gutierrez, Francisco.
 A-7112955, Guzman-Aguirre, Antonio.
 A-7358645, Garcia, Marina Guzman De.
 A-7070294, Hache, Adela Julia Haddad.
 A-6920655, Harris, Daniel Charles.
 A-2113545, Harris, Sydney Lambert.
 A-6221472, Hawley, Aristile Wellington.
 A-7139124, Haynes, Joseph Nathaniel.
 A-6512351, Heredia-Perez, Jose Baltazar.
 A-7140418, Hermosillo-Dabaloz, Jesus.
 A-5959492, Hermon, Diana Rebecca.
 A-7483228, Hermosillo, Julia Lopez.
 A-7390997, Hernandez, Carmen Gomez.
 A-7903101, Hernandez, Eugenio, Jr.
 A-7050955, Hernandez, Francisco Socorro.
 A-6972463, Hernandez, Manuel Flores.
 A-7145053, Hernandez, Nicolas.
 A-7145713, Hernandez, Domitila Trejo De.
 A-7145015, Hernandez-Argomaniz, Vicente.
 A-6314181, Hernandez-Gutierrez, Angel.
 A-7483462, Hernandez-Illas, Pablo Anselmo.
 A-6770300, Hernandez-Perez, Pedro.
 A-7117566, Herrera, Carlos.
 A-7117567, Herrera, Carlos.
 A-7117568, Herrera, Jose Luis.
 A-7117569, Herrera, Manuel.
 A-7841575, Herrera, Natividad.
 A-7828651, Herrera, Maria Eustolia Torres De.
 A-7386241, Hibbert, Alfred Alexander.
 A-7439665, Hines, Richard Samuel.
 A-5917249, Hodge, Maria Ophelia.
 A-7910567, Hodge, Pathrenella.
 A-5980534, Hodge, Valdrena James.
 A-7264096, Hughes, George Benjamin.
 A-7983405, Ibarra-Ortega, Antonio.
 A-7044362, Irigoyen-Leon, Ramon.
 A-7802439, Irvin, Moses Hezekiah.
 A-6113357, Jasso, Jose Barbosa.
 A-6242791, Javier, Rosenda Lopez de.
 A-4377208, Jennings, Ebenezer Alvin.
 A-5132781, Jennings, Hilda Idalia.
 A-7991790, Jones, Charles Joseph.
 A-7991789, Jones, Mary Estella.
 A-7962009, Jones, Sidney Oliver.
 A-5953872, Joseph Clementina.
 A-5901607, Joseph Severena.
 A-6188585, Knibbs, Allan Henry.
 A-7269644, Krelenstein, Maria Lourdes Aguilar.
 A-7991495, Lacarda, Marta Antonia Agdamag y.
 A-7372156, Lara, Santos.
 A-7372157, Lara, Maria Concepcion.

A-7873883, Lazos-Morales, Isauro.
 A-7415554, Leos-Lomeli, Mario.
 A-7112933, Levien, Gilmore.
 A-6572095, Lluberes, Conrado Antonio Alfau.
 A-7439901, Loera, Pedro Zuniga.
 A-7439900, Zuniga-Gonzalez, Pedro.
 A-7873884, Loera, Rodolfo.
 A-7083002, Long, Maisie Alphancene Bernard.
 A-6870227T, Longoria, Jose.
 A-6921015, Lopez, Celia Vargas De.
 A-6420663, Lopez, Jorge Abaira.
 A-7247920, Lopez, Josefina Mendoza, Martinez De.
 A-6423543, Lopez, Juan Francisco.
 A-8065557, Lopez, Maria Del Refugio.
 A-7802184, Lopez, Ramon.
 A-7978958T, Lopez-Barragan, Juventino Baltazar.
 A-7379785T, Lopez-Castro, Felipe.
 A-7375744, Lopez-Figueroa, Abelardo.
 A-6989596, Lorenzo, Miguel Emilio Marun.
 A-7247943, Losano, Lorenzo Murillo.
 A-7983076, Losano, Serbando.
 A-7351265, Loza-Gutierrez, Manuel.
 A-7140116, Lozano, Alejandro.
 A-7140115, Lozano, Isidra.
 A-7945128, Lucero-Moreno, Primitivo.
 A-7927520, Lucero-Llana, Alejandra.
 A-7927519, Lucero-Llanas, Gloria Irma.
 A-7927518, Lucero-Llanas, Leopoldo.
 A-7927521, Lucero-Llanas, Julieta.
 A-7203610, Lujan, Clotilde.
 A-7995641, Luna-Carmona, Jose.
 A-7379599, Lynch, Charles Thomas.
 A-5948752, Lynch, Marie Annie.
 A-7115391, Lytton, Ivy May.
 A-7178302, Macias-Cordero, Clemente.
 A-7203037, Flores, Paula.
 A-7267711, Madrid, Andres.
 A-7267096, Madrid, Isabel.
 A-5934468, Madrid, Blas.
 A-7070678, Madrid, Pilar Parra.
 A-7070682, Madrid, Andrea Parra.
 A-7070681, Madrid, Gerardo.
 A-7070680, Madrid, Manuel.
 A-7476214T, Madrigal-Madrigal, Silvestre.
 A-7130567, Magallanes, Jesus Jose.
 A-7085548, Maina, Ana Maria Ramirez de.
 A-7923580, Maldonado, Samuel Valdez.
 A-6817437, Marcelli, Millicent Louise.
 A-6970242, Marmolejo, Amalia Mazon de.
 A-6970241, Marmolejo-Hernandez, Pedro.
 A-7145585, Marquez, Cruz.
 A-7145600, Marquez, Emma Berta.
 A-7140732, Marquez, Francisco.
 A-7145602, Marquez, Marcia Ester.
 A-7145601, Marquez, Maria Telesfora.
 A-7145603, Marquez, Ricardo.
 A-7297180, Marquez-Gallegos, Manuel.
 A-7297179, Marquez, Maria Elena.
 A-6165329, Marrero, Augustina.
 A-7375897T, Martinez, Albertina Goint De.
 A-7910281, Martinez, Antonio.
 A-7178573, Martinez, Benito.
 A-7054562, Martinez, Carlos Miguel.
 A-7054561, Martinez, Guillermo Winston.
 A-7050463, Martinez, Jesus.
 A-6422181, Martinez, Marcos.
 A-7054560, Martinez, Otilia Aurora.
 A-6490672, Martinez, Reyna Estela Ramona Marina.
 A-7387471, Martinez-Lozano, Guadalupe.
 A-3779201, Matthias, Majorita.
 A-7445788T, McKenzle, Aubrey Alexander.
 A-7130563, Medina, Felicitas.
 A-4566750, Medina, Jose Luz.
 A-7358671, Medrano, Crispin.
 A-7287909, Medrano, Tomas.
 A-7387933, Silva, Evangelina.
 A-6090236, Melendez, Cayetano.
 A-6976418, Mendez, Adelina Leonor Moreno Y Garcia De.
 A-7050338, Moreno, Sonia Teresa Mendez.
 A-7050339, Moreno, Magali Regina Mendez.
 A-6882302, Mendez-Hernandez, Jose.
 A-6882269, Mendoza, Micaela Pontenciano de.
 A-6213719, Mendoza, Ramon.
 A-7290945, Perez, Adela.

A-7802642, Mendoza-Mondragon, Ubaldo.
 A-7809526, Mendoza-Sanchez, Jesus.
 A-7809525, Mendoza, Maria Elva.
 A-5971666, Millin, Leonora Christine.
 A-7841722T, Milliner, Leslie Alquin.
 A-7389301, Milton, Norman Edgton.
 A-7383365, Miranda-Lopez, Arturo.
 A-6948481, Miranda-Salazar, Salvador.
 A-7372146, Molina-Hernandez, Genovevo.
 A-7457789, Montenegro-Rodriguez, Fernando.
 A-6724300, Montero-Castaneda, Manuel.
 A-7385583, Montes-Molina, Jose.
 A-7388754, Montoya-Melesio, Valentin.
 A-6732047, Montoya-Ortega, Rafael.
 A-6291190, Monzano-Salazar, Estela Eugenia.
 A-6291189, Monzano-Salazar, Margarita Clara.
 A-6291191, Monzano-Salazar, Rosa Maria.
 A-7070047, Morales, Eduviges.
 A-7189047, Morales, Marcial.
 A-7189048, Morales, Abundio.
 A-7189049, Morales, Maria Pascuala.
 A-7145583, Moreno, Alejandro.
 A-7145718, Tiscareno, Isabel.
 A-6855855, Moreno, Jose.
 A-6089522, Moreno, Maria Guadalupe Desales de.
 A-7144641, Moss, Vivian George.
 A-7122049, Munoz, Guadalupe.
 A-6169103, Muriel, Jose.
 A-7371589, Myers, Clifton Vivian.
 A-6921234, Najera, Francisca.
 A-6921235, Najera, Candelaria.
 A-6921236, Najera, Evangelina.
 A-6921237, Najera, Armando.
 A-6921238, Najera, Raul.
 A-6921239, Najera, Roberto Gutierrez.
 A-6775845, Nava, Carlos L.
 A-7127244, Nava, Jose Luis.
 A-7910523, Nieves, Cristobal.
 A-7910522, Nieves, Guadalupe Renteria De.
 A-5911583, Niles, Elita Vlrnah.
 A-5935855, Ochoa, Fidel.
 A-7188547, Olvae, Fernando.
 A-6033300, Olivarez, Jose Salome Chapa.
 A-7145620, Olivas, Leopoldo.
 A-6208817, Olivas-Alvarez, Catarino.
 A-7423135, Olivas, Paula Rodriguez De.
 A-7392115, Olivas-Lozoya, David.
 A-7392114, Olivas, Guadalupe Morales de.
 A-7137553, Olvera, Pablo.
 A-6958176, Orozco, Rosa Barroso De.
 A-7266111, Ortega, Rafael.
 A-7197850, Ortega-Quintana, Francisco.
 A-7189000, Ortiz, Cecilio.
 A-6476130T, Ortiz, Pedro.
 A-6972306, Oseguera-Arevalo, Aurora.
 A-6972305, Oseguera-Arevalo, Roman.
 A-6971649, Oseguera-Barajas, Honorio.
 A-6165544, Pacheco, Maria Garcia-Lopez De.
 A-6065635, Parrott, Ellouise.
 A-5966301, Parrott, Louis Albreric.
 A-7188729, Patino, Maria Louisa Valasquez De.
 A-6679818, Pelaez, Manuel Armando.
 A-7224071, Pena-Rodriguez, Eloy.
 A-6961717, Perez, Librado.
 A-7264086, Perez, Margarita.
 A-7264087, Perez, Antonia.
 A-6235770, Perez-Barron, Fidel.
 A-7140806, Perez-Garcia, Leon.
 A-7140807, Perez, Marcelino.
 A-7140808, Perez, Leonor.
 A-5958162, Perez-Gomez, Ignacio.
 A-6058862, Petersen, Ruth Glover.
 A-7886874, Philip, Minerva Olivia.
 A-7137530, Pinder, Washington Howard.
 A-7222455, Pino-Fernandez, Fermin.
 A-7287920, Pinon, David.
 A-6869930, Pizano, Salvador Prado.
 A-7297156, Portillo, Austreberto.
 A-7297162, Flores, Fafaela.
 A-7188264, Potter, Francina.
 A-6124500, Preciado-Soto, Alberto.
 A-6877596, Prito, Lorenzo.
 A-6916219, Puckerin, Ervin Fitzherbert.
 A-7137172, Puentes, Matias.
 A-7137167, Puentes, Gabina Ramirez de.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 25, 1954
For actions of May 24, 1954
83rd-2nd, No. 95

CONTENTS

Appropriations.....7,20	Labor, farm.....15	Price supports.....19
Dairy industry.....13,19	Lands, public.....3	Reclamation.....11,16
Eggs.....5	Life insurance.....12	Research.....20
Fisheries.....9,14	Livestock inspection....10	Sec. 32 funds.....9
Flood control.....7,17	Loans, farm.....1,6	Soil conservation.....8,20
Forestry.....2	Marketing.....5	Surplus commodities....18
Holiday.....4	Personnel.....12	Water-facilities loans...1
Housing, farm.....6		

HIGHLIGHTS: Senate passed water-facilities loans bill. Senate passed bill approving Southeastern Forest-Fire Protection Compact. House subcommittee voted to report surplus-fish bill. Sen. Carlson introduced and discussed bill to provide life insurance for Government employees. Sen. Johnston introduced and discussed bill to require Federal agencies to obey State laws on butter-fat content.

SENATE

1. WATER-FACILITIES LOANS. Passed as reported S. 3137, to amend the Water Facilities Act(pp. 6616-19). Sen. Aiken explained the bill as follows:
"The Water Facilities Act now is applicable only to the arid and semiarid areas of the United States. The pending bill would make that act applicable to the entire United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.
"At present Government financial assistance is limited to \$100,000 for any one project. The bill would replace that limitation with a limitation upon the amount of indebtedness which any one debtor may have outstanding at any one time. In the case of an individual, the limitation would be \$25,000; in the case of a corporation or agency, it would be \$250,000...
"...the committee amendment provides for insurance of private loans. At present, the Secretary of Agriculture makes only direct loans, using the funds appropriated for that purpose. Under the amendment, not to exceed \$25 million of loans could be insured in any one year. In insuring the loans, the Secretary would utilize the fund created by title I of the Bankhead-Jones Farm Tenant Act"
2. FORESTRY. Passed without amendment S. 2786, approving the Southeastern Interstate Forest-Fire Protection Compact (pp. 6619-20).
3. PUBLIC LANDS. Passed as reported H. R. 2512, to amend the Small Tracts Act so as to permit greater use of the public domain by individuals (pp. 6626-7).
4. HOLIDAY. Passed without amendment H. R. 7786, to change the name of Armistice Day to "Veterans' Day" (p. 6616). This bill will now be sent to the President.
5. EGG MARKETING. Passed as reported S. 2661, to regulate the sale of shell eggs in D. C. (p. 6625).

6. HOUSING. The Banking and Currency Committee announced that it will order reported H. R. 7839, the housing bill, on May 27, and will file a report on June 3 (p. D574). This bill includes a provision continuing the rural-housing loan program.
7. FLOOD-CONTROL APPROPRIATIONS. H. R. 8367, the Army civil functions appropriation bill, was made the unfinished business (p. 6633).
8. SOIL CONSERVATION. In reporting H. R. 6788 (the Hope-Aiken watershed bill) to the full Agriculture and Forestry Committee, the subcommittee recommended a number of amendments. File copies of a "committee print", showing these amendments, are available for lending purposes from the Legislative Reporting Staff, Ext. 4654.

HOUSE

9. FISHERY PRODUCTS. A subcommittee voted to report to the full Merchant Marine and Fisheries Committee S. 2802, to earmark part of Sec. 32 funds for publicity, education, and research on fish and related products (p. D576).

BILLS INTRODUCED

10. LIVESTOCK INSPECTION. S. 3504, by Sen. Bowring, to amend the Packers and Stockyards Act with respect to the charging of brand inspection fees; to Agriculture and Forestry Committee (p. 6605).
11. RECLAMATION. S. 3505, by Sen. Anderson, to amend the act of 1950 relating to construction of the Vermejo reclamation project; to Interior and Insular Affairs Committee (p. 6605).
12. PERSONNEL. S. 3507, by Sen. Carlson, to authorize the Civil Service Commission to make available group life insurance for Federal employees; to Post Office and Civil Service Committee (p. 6605). Remarks of author (p. 6605).
13. DAIRY INDUSTRY. S. 3508, by Sen. Johnston, to require milk utilized by Federal agencies to meet State requirements with respect to butterfat content; to Agriculture and Forestry Committee (p. 6605). Remarks of author (p. 6634).
14. FISHERY PRODUCTS. H. R. 9249, by Rep. Norblad, "to further encourage the distribution of fishery products"; to Merchant Marine and Fisheries Committee (p. 6648).

ITEMS IN APPENDIX

15. FARM LABOR. Extension of remarks of Rep. Gubser discussing the use of Mexican farm laborers, stating that local labor will be given first chance at any job they are willing and able to perform, and including a newspaper article stating the need for 500 strawberry pickers in Calif. (p. A3774).
16. RECLAMATION. Extension of remarks of Rep. Miller, Nebr., favoring H. R. 4449, authorizing the upper Colo. project (pp. A3775-6).
Extension of remarks of Rep. Engle favoring the Trinity River project, Calif., and including a newspaper article on the shortage of water in the San Joaquin Valley (p. A3788).
17. FLOOD CONTROL. Rep. Angell inserted a newspaper article discussing the Army flood-control plan for the Columbia River (pp. A3776-7).

payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GERTRUD TRINDLER O'BRIEN

The Senate proceeded to consider the bill (S. 1900) for the relief of Gertrud Trindler O'Brien, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Gertrud Trindler O'Brien may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OTILIE THERESA WORKMANN

The Senate proceeded to consider the bill (S. 1904) for the relief of Otilie Theresa Workmann, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Otilie Theresa Workmann may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. ANNEMARIE NAMIAS

The Senate proceeded to consider the bill (S. 1959) for the relief of Mrs. Annemarie Namias, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

ment of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Annemarie Namias may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. EDWARD E. JEX

The Senate proceeded to consider the bill (S. 2009) for the relief of Mrs. Edward E. Jex, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "act", to insert a colon and "*Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Edward E. Jex may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONTINUATION OF PROVISIONS OF TITLE II OF THE FIRST WAR POWERS ACT, 1941

The Senate proceeded to consider the bill (S. 3103) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That section 2 of the act of January 12, 1951 (64 Stat. 1257), as amended, is further amended by striking out "1954" and inserting in lieu thereof "1955."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARGOT GOLDSCHMIDT

The Senate proceeded to consider the bill (S. 1889) for the relief of Margot Goldschmidt, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the word "fee", to strike out "and head tax"; and on page 2, line 1, after the word "available", to insert a colon and

"*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Margot Goldschmidt shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN LAMPROPOULOS

The bill (H. R. 1345) for the relief of John Lampropoulos was considered, ordered to a third reading, read the third time, and passed.

KENNETH R. KLEINMAN

The bill (H. R. 1772) for the relief of Kenneth R. Kleinman was considered, ordered to a third reading, read the third time, and passed.

DON B. WHELAN

The bill (H. R. 2022) for the relief of Don B. Whelan was considered, ordered to a third reading, read the third time, and passed.

TRANSFER TO FREDERICK W. LEE OF RIGHT, TITLE, AND INTEREST TO A CERTAIN INVENTION

The bill (H. R. 3041) to authorize the Secretary of the Interior to transfer to Frederick W. Lee the right, title, and interest of the United States in and to a certain invention was considered, ordered to a third reading, read the third time, and passed.

THEODORE W. CARLSON

The bill (H. R. 3109) for the relief of Theodore W. Carlson was considered, ordered to a third reading, read the third time, and passed.

MRS. ANN ELIZABETH CAULK

The bill (H. R. 4532) for the relief of Mrs. Ann Elizabeth Caulk was considered, ordered to a third reading, read the third time, and passed.

MRS. JAMES J. O'ROURKE

The bill (H. R. 4961) for the relief of Mrs. James J. O'Rourke was considered, ordered to a third reading, read the third time, and passed.

**COL. HENRY M. DENNING AND
OTHERS**

The bill (H. R. 4996) for the relief of Col. Henry M. Denning, and others, was considered, ordered to a third reading, read the third time, and passed.

**ROBERT E. LEIBBRAND AND ROSE
LEIBBRAND**

The bill (H. R. 5772) for the relief of Robert E. Leibbrand and Rose Leibbrand was considered, ordered to a third reading, read the third time, and passed.

**HONORING OF VETERANS ON
ARMISTICE DAY**

The bill (H. R. 7786) to honor veterans on the 11th day of November of each year, a day dedicated to world peace, was considered, ordered to a third reading, read the third time, and passed.

ARTHUR S. ROSICHAN

The Senate proceeded to consider the bill (H. R. 3522) for the relief of Arthur S. Rosichan, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 5, after the word "of", to strike out "\$1,935.85" and insert "\$659.85."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. JOSETTE L. ST. MARIE

The Senate proceeded to consider the bill (H. R. 6452) for the relief of Mrs. Josette L. St. Marie, which had been reported from the Committee on the Judiciary with an amendment, in line 8, after the word "duty", to insert a colon and "Provided, That no benefits under this act shall accrue prior to the date of the application filed by Mrs. Josette L. St. Marie on August 31, 1945."

The amendment was agreed to.

Mr. GORE. Mr. President, I ask for an explanation of the bill.

Mr. LANGER. Mr. President, this bill would make the dependent mother of a soldier who committed suicide at Camp Shelby, Miss., eligible for certain benefits under the veterans regulations. At the time of his suicide, an Army investigating officer found that he was of unsound mind, and that, therefore, he died in line of duty, and not as a result of his own misconduct. This finding was approved by a line-of-duty board, and later was approved by the Secretary of War.

When the decedent's mother filed with the Veterans' Administration a claim for service-connected death compensation, that office made an independent finding that the death of the serviceman was due to his own willful misconduct, and, therefore, denied the claim for such compensation.

A subcommittee and the full committee carefully studied the records in this case, including the report of the Department of the Army and the Veterans'

Administration, and concluded that the view taken by the Department of the Army was the proper one. The committee report which accompanies the bill states in part:

We believe that it was the intention of Congress that the restrictive provisions of the law be applied strictly to the transgressor himself but not necessarily to the total exclusion of those who may be indirectly eligible for the benefits provided by law.

If the bill is enacted, it will result in a death compensation payment to the mother of \$60 a month.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

**STATUS OF PERMANENT RESIDENCE
FOR CERTAIN ALIENS**

The Senate proceeded to consider the joint resolution (H. J. Res. 455) granting the status of permanent residence to certain aliens, which had been reported from the Committee on the Judiciary with an amendment, on page 4, after line 14, to insert:

A-6948174, Castillo, Zenoma Martinez do or Zenoma Martinez or Zenoma Martinez-Camejalilis.

A-7046218, Rothstein, Rebecca.

A-0901104, Tsien, Hsue Chu.

A-6624888, Tsien, Mrs. Yi Ying (nee Li).

A-6253121, Liman, Kerupe Herant.

A-6384103, Liman, Violet (nee Haki).

A-5836859, Ryyanen, Eino Olave.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

**CONSERVATION OF WATER
RESOURCES**

The bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object—although I shall not object, because I believe this bill proposes very good legislation—let me say the bill has some unique insurance features; and I wish to have the distinguished chairman of the Committee on Agriculture and Forestry explain the bill, for the purpose of the RECORD.

Mr. GORE. Mr. President, some Members of this side of the aisle are interested in the bill. I wonder whether the Senator from New Jersey will yield, so that I may suggest the absence of a quorum, in order that all interested Members may be present.

The PRESIDING OFFICER. The Chair would suggest that the bill be

placed at the end of the calendar, so as to avoid the delay incident to having a quorum call at this time.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will again be read by title, so that all Members may be informed as to the measure now reached on the call of the calendar.

The LEGISLATIVE CLERK. A bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and for other purposes.

Mr. GORE. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, I believe this is one of the best measures we shall have an opportunity to act on at this session.

So far as I know, there is no objection to the provisions of the bill, which would make three changes in the Water Facilities Act, under which the Government makes loans for the construction and maintenance of facilities for water storage and utilization.

The Water Facilities Act now is applicable only to the arid and semiarid areas of the United States. The pending bill would make that act applicable to the entire United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

At present Government financial assistance is limited to \$100,000 for any one project. The bill would replace that limitation with a limitation upon the amount of indebtedness which any one debtor may have outstanding at any one time. In the case of an individual, the limitation would be \$25,000; in the case of a corporation or agency, it would be \$250,000. The larger limitation for corporations and agencies would permit assistance in the construction and maintenance of community facilities.

Finally, Mr. President, the committee amendment provides for insurance of private loans. At present, the Secretary of Agriculture makes only direct loans, using the funds appropriated for that purpose. Under the amendment, not to exceed \$25 million of loans could be insured in any one year. In insuring the loans, the Secretary would utilize the fund created by title I of the Bankhead-Jones Farm Tenant Act. It is my understanding that the language of the amendment follows very closely the language to be found in that act.

Mr. MONRONEY. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield, insofar as time is available to me.

Mr. MONRONEY. I desire to compliment the distinguished chairman of the Committee on Agriculture and Forestry on his presentation of the bill.

I believe the bill will prove very beneficial in respect to providing additional water storage and irrigation facilities, not only for the arid regions of the country, but also for places where rainfall is intermittent and where drought would be very harmful to farming operations, for the bill also would extend to the non-arid States the right to receive these loans, for the purpose of installing water systems, not only for irrigation and stock water purposes, but also for the purpose of supplying sanitary water services to farm homes or farm communities.

Mr. AIKEN. The Senator's assumption is correct. Only about half the farm homes of the United States have running water at the present time.

Mr. MONRONEY. This measure would allow such projects to be financed, not for a year, but over a reasonable length of time, so as to assure a safe and dependable water supply for farm consumption and operations on the farm.

Mr. AIKEN. That is true. I may add that the chairman of the Committee on Agriculture and Forestry claims no particular credit for this bill. It has been generally sponsored by Senators on both sides of the aisle, including the Senator from Oklahoma [Mr. MONRONEY], the Senator from New Mexico [Mr. ANDERSON], and many other Senators. As I recall there are 20 sponsors of the bill. Undoubtedly there could have been three times that number had there been an opportunity to consult them all. It is generally recognized that the bill is important to those of the farm population who are without water for bathing, drinking, or irrigation purposes.

The Senator from Texas [Mr. JOHNSON] has also been very much interested in the bill.

Mr. STENNIS. Mr. President, will the Senator yield to me on my time?

Mr. AIKEN. I yield on the time of the Senator from Mississippi.

Mr. STENNIS. I commend the chairman of the Senate Committee on Agriculture and Forestry and other Senators who have worked on this bill. I think it means a great deal to the areas affected, especially in view of new labor problems, and in view of the tendency toward the utilization of a small number of fertile acres rather than the old method of working many acres of less fertility.

Last year the champion corn grower in my State was a man living in my home county. His achievement was possible because of irrigation. Ordinarily the land would not receive sufficient rainfall at regular intervals to assure top production. He produced 132 bushels of corn to the acre. There is no danger of Mississippi entering the commercial corn market to any appreciable extent. It is only a matter of growing corn for home consumption, and as feed for livestock.

The incident I have mentioned is an excellent illustration of the possibilities of this proposed legislation, particularly the loan feature. I believe that a plan has been devised which is eminently sound, conservative, and safe. It will work from a practical standpoint, and will mean a great deal to the small farmer, and the small landowner, as well as those with larger acreage.

Protection is afforded by the establishment of a ceiling, so that the program will not run away with itself and require too much financing.

I hope the Senate will see fit to pass the bill. If it can become law, I believe it will bring fine returns, and will be an important step forward.

Mr. AIKEN. Both the Senator from Mississippi and his colleague [Mr. EASTLAND] have been very effective in helping the bill along to its present position on the calendar. I realize how much it means to the people of the State of Mississippi.

Mr. COOPER. Mr. President, on my own time may I ask a question or two of the distinguished Senator from Vermont?

The PRESIDING OFFICER. Without objection, the Senator may proceed on his own time.

Mr. COOPER. Like other Senators, I wish to commend the distinguished Senator from Vermont and the Committee on Agriculture and Forestry, as well as other Senators who are sponsors of the bill, for their action in bringing the bill to the floor of the Senate. My colleague [Mr. CLEMENTS] is one of the sponsors of the bill.

Kentucky has been a drought State for the past 3 years. I am certain that the bill will offer opportunities for farmers in Kentucky to conserve and provide water for their use. As I understand, this bill, if enacted, can be used to provide water for domestic use, for stock, and for irrigation.

Mr. AIKEN. That is correct. It can be used to bring water into the house and into the barn, for the use of the family and the livestock.

Mr. COOPER. The Senator stated in his explanation of the bill that funds are available, I believe under title 1 of the Bankhead-Jones Act. Does the Senator know what funds are available at present? Are there sufficient funds to begin this program?

Mr. AIKEN. Yes, the law provides authority to borrow a sufficient amount to carry out the purposes of the act. It is not anticipated that any huge amount will be necessary.

Mr. COOPER. In the last year I have noticed in my State that hundreds of ponds and reservoirs have been constructed, some of them privately, and some of them under the program of the ACP. How will this program work in connection with the program which is being carried on at present under the conservation services?

Mr. AIKEN. It is my opinion that the proposed legislation would dovetail perfectly into the other programs, by providing the money to do the work.

Mr. COOPER. The Senator knows that a great deal has been done in the past year in the field of soil conservation.

Mr. AIKEN. Oh, yes. One has only to fly across the country 2 or 3 times to see the great amount of beneficial work which has been done in that field.

Mr. COOPER. I thank the Senator.

Mr. CASE. Mr. President, I do not wish to detain the Senate or delay passage of the bill. I should like to enter

my word of support for the passage of the bill. I do so because I have had something to do with the legislation which this bill is designed to supplement.

Back in 1936 and 1937 there was a drought condition in the Great Plains area. Former Senator Burton Wheeler, of Montana, in the Senate, and I, in the House, sponsored legislation which came to be known as the Wheeler-Case Act. It was an act which provided for supplemental water for irrigation projects, in some instances, and supplemental water for other purposes in other instances. It was designed to get double duty from the dollars which were being expended for relief purposes. People who were receiving grants from the Resettlement Administration, as well as those receiving relief from the WPA, were authorized to work on these projects; and, to the extent that the relief labor was contributed, the project did not have to repay that part of the cost to the Government. It was believed that that was better than assigning people to leaf-raking jobs.

At the present time no projects are being developed under that program because we have no general relief labor program. In that connection, I invite attention to what the Undersecretary of Agriculture says in his report, dated March 10, 1954:

When the Wheeler-Case Act was amended by the act of October 14, 1940, which authorized more intensive development of smaller reclamation, flood control, and power projects, the limitation was enacted into basic legislation—

That is, the limitation on the size of the project—

No new projects are now being constructed under the Wheeler-Case Act, due to the fact that the formula for the justification of such projects included the use of WPA and other relief labor, which is not now available.

The Under Secretary continues:

Now that the smaller reclamation undertakings are no longer being developed under the Wheeler-Case Act there exists a gap between the size of the facilities which can be undertaken now under the Water Facilities Act and the projects being developed under the reclamation laws by the Bureau of Reclamation. That gap should be closed. This bill would be a step in that direction.

It would be a step in that direction, Mr. President. It would help to fill that gap. Therefore I hope the bill will be approved by the Senate, by the House, and by the President.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3137) to make the provisions of the act of Aug. 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 14, after the word "new", to strike out "section" and insert "sections"; at the end of line 24, to strike out the quotation mark; and after line 24, to insert:

"SEC. 9 (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this act and are in furtherance of its objectives, the Secretary of Agriculture—

"(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

"(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

"(3) shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this act;

"(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: *Provided, however,* That the charge shall be payable in advance at intervals of 1 year or less and shall be at a rate equal to at least 1 percent per annum of the principal outstanding on the loan insured on the due date of the charge;

"(5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

"(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund; and

"(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this act.

"(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.

"(c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this act.

"(d) Any contract of insurance executed by the Secretary under this act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this act.

"(e) The aggregate amount of the principal obligations on loans insured under this act, shall not exceed \$25 million in any one fiscal year.

"(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 edition, 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the act of August 28, 1937, as amended'."

So as to make the bill read:

Be it enacted, etc., That the act entitled "An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for

water storage and utilization, and for other purposes," approved August 28, 1937 (50 Stat. 869), is amended—

(1) By deleting the phrase "in the arid and semiarid areas of the United States" from the first sentence in the first section;

(2) By deleting the phrase "in the arid and semiarid areas of the United States" in the last sentence of the first section and inserting in lieu thereof the following: "in the United States, including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands."

(3) By deleting the phrase "in the said areas" wherever it appears in section 2.

(4) By inserting at the end of said act the following new sections:

"Sec. 8. No aid shall be extended under the provisions of this act which will result in any individual, partnership, trust, estate, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

"Sec. 9 (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this act and are in furtherance of its objectives, the Secretary of Agriculture—

"(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

"(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

"(3) shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this act;

"(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: *Provided, however,* That the charge shall be payable in advance at intervals of 1 year or less and shall be at a rate equal to at least 1 percent per annum of the principal outstanding on the loan insured on the due date of the charge;

"(5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise,

"(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund; and

"(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this act.

"(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.

"(c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this act.

"(d) Any contract of insurance executed by the Secretary under this act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this act.

"(e) The aggregate amount of the principal obligations on loans insured under this act, shall not exceed \$25 million in any fiscal year.

"(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 edition, 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the act of August 28, 1937, as amended'."

SEC. 2. Section 7 of the act entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States", approved August 11, 1939, as amended (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. EASTLAND subsequently said: Mr. President, I ask unanimous consent to place in the body of the RECORD a statement which I prepared relative to the Water Facilities Act which passed the Senate today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EASTLAND

On April 22, 1954, I made a speech in the Senate relative to the extension of the Water Facilities Act, now applicable to 17 arid States, to the entire United States.

I am pleased to report that the Senate Committee on Agriculture on Monday, May 17 reported the bill to the Senate for passage.

However, a change was made in the original bill by the Senate committee which, I think, greatly improved the original legislation. The original legislation provided for the Farmers Home Administration to make direct loans to farmers at 3 percent interest, on a 20 year basis, for the purpose of drilling wells, erecting irrigation ponds, and purchasing irrigation equipment. The loans to be secured by increased production resulting from supplemental irrigation.

On May 17, the Senate Committee on Agriculture adopted an amendment to the original proposal and provided for a program of insured loans which will authorize banks, Production Credit Associations, and other private institutions to make loans to farmers to purchase irrigation equipment in the humid areas and the loans thus made will be insured by the Farmers Home Administration. This insured loan program will operate under section 2 of the Bankhead-Jones Farm Tenant Act, as amended.

The bill likewise provides for direct financing by the Farmers Home Administration as outlined heretofore. Funds will also be made available for this direct financing by the Farmers' Home Administration.

The Senate Committee is of the opinion that the insured loan feature will give greater flexibility to the program and will permit private financing under reasonable, fair and equitable terms.

Since I spoke in the Senate on April 22, I have had brought to my attention a very interesting table which shows the avail-

ability of underground water in many of the States and the humid area. I want to insert this table in the RECORD:

	Percent
Mississippi.....	98
Wisconsin.....	98
Florida.....	95
Michigan.....	95
New Jersey.....	90
Alabama.....	85
Louisiana.....	80
Nebraska.....	80
Missouri.....	70
Georgia.....	70
Arkansas.....	65
South Carolina.....	65
North Carolina.....	65
Iowa.....	60
Tennessee.....	60
Minnesota.....	50
Illinois.....	50
Texas.....	50
Kansas.....	50
Virginia.....	50
Indiana.....	45
Ohio.....	45
Washington.....	45

It will be noted from the above table that 98 percent of the entire area of the State of Mississippi has underground water available for irrigation purposes. Much of the water available is artesian water. None of the water available is so deep that it cannot be economically pumped and made available at a price which will justify its use.

In limited areas where water may not be available ponds can be constructed. These ponds can likewise be financed under the plan. As I predicted before, the day the Senate passes this bill will inaugurate one of the most far-reaching developments that American agriculture has yet made. Supplemental irrigation is coming, and coming fast, to the humid areas of the United States.

SOUTHEASTERN INTERSTATE FOREST-FIRE PROTECTION COMPACT

The bill (S. 2786) granting the consent and approval of Congress to the Southeastern Interstate Forest-Fire Protection Compact was announced as next in order.

THE PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

MR. HOLLAND. Mr. President, the pending bill relates to an interstate compact proposed for and by the 10 Southeastern States at a regional Forestry Conference. The proposed compact is subject to approval by Congress. It includes a provision that any other State adjoining a compact State may become a member of the compact. The compact will provide for cooperation among the States in the prevention and suppression of forest fires. Without discussing the subject at length, I ask unanimous consent that the report of the committee be made a part of my remarks at this time.

There being no objection, the report of the Committee on Agriculture and Forestry (No. 1372) was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2786) granting the consent and approval of Congress to the southeastern interstate forest fire protection compact, having considered the same, report thereon with a recommendation that it do pass without amendment.

The bill would grant approval of the Congress to a compact by 10 Southeastern States for a cooperative program in preventing and suppressing forest fires. The compact follows the general pattern of the northeastern interstate forest fire protection compact which the Congress approved in 1949.

A copy of the report from the Department of Agriculture explaining the proposed bill and compact is attached hereto as a part of this report.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 12, 1954.

HON. GEORGE D. AIKEN,
Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR AIKEN: This is in reply to your request of January 21, 1954, for a report on S. 2786, a bill granting the consent and approval of Congress to the southeastern interstate forest fire protection compact.

This bill would grant approval of Congress to a compact by certain Southeastern States to obtain cooperation in preventing and suppressing forest fires. It would provide for individual State fire plans and an integrated regional fire plan. Compact administrators, one from each State, would guide the compact with the assistance of an advisory committee representing legislators, forestry commissions, and forest industry. A State requesting aid would be required to assume costs for States rendering aid. The bill would provide that the compact shall not affect any existing or future cooperative relationship or arrangement between any Federal agency and a member State or States. S. 2786 follows the general pattern of the northeastern interstate forest fire protection compact, enacted in 1949 (63 Stat. 271).

The enactment of the bill would not affect the programs of this Department. Neither would it obligate the Department unless it accepted responsibilities under article VII. That article states that the compact administrators may request the Forest Service to act as a research and coordinating agency of the compact and authorizes the Forest Service to present to the compact administrators its recommendations with respect to the regional fire plan. This Department could accept the research and coordinating responsibilities under existing authority and without additional direct Federal expenditures.

The severe drought of the past 2 years in the Southeastern States indicates a need beyond the capacity of a single State when a forest fire disaster strikes. This is a principal reason why the compact is proposed.

Protection of the timber resource from fires is important to the economic and industrial stability of the Southeast. The 10 States comprising the proposed compact area contain more than 98 billion cubic feet of standing timber, or 21 percent of the standing timber of the United States. The area produces about half of the Nation's pulpwood and about one-third of its lumber.

This Department believes that the interstate compact proposed in S. 2786 would be helpful in attaining greater protection against forest fires in the member States and, therefore, recommends enactment of the bill.

The Bureau of the Budget advises that from the standpoint of the program of the President there is no objection to the submission of this report.

Sincerely yours,

E. T. BENSON, Secretary.

MR. HOLLAND. Mr. President, I hope the bill will be passed and the consent of Congress thereby given to the proposed compact.

MR. STENNIS. Mr. President, will the Senator from Florida yield for a question?

MR. HOLLAND. I yield.

MR. STENNIS. The Senator from Florida has stated that the bill refers to a compact which has already been negotiated and is subject to confirmation by Congress.

MR. HOLLAND. The Senator is correct.

MR. STENNIS. I further understand that the bill is in the interest of forest-fire protection. I ask the Senator, as a member of the Committee on Agriculture and Forestry, to make an explanatory statement of the bill for the RECORD and for the information of the Senate. I should like to have the Senator cover the high points of the bill and to say something with respect to the problem and the progress that is being made in solving it, if he is prepared to do so at this time.

MR. HOLLAND. I shall be very glad to do so.

The bill would give sanction and standing, through congressional approval to the compact as already negotiated among the 10 southeastern States. The purpose of the compact is to enable the 10 southeastern States to join forces in the prevention and fighting of forest fires. Forest fires have no respect for State lines.

In addition, no individual State can have sufficient equipment or personnel to deal with a major outbreak. The compact would make available, in fighting a serious conflagration all the equipment possessed by the neighboring compact States. The compact would make it possible for adjoining States to focus their equipment, and their personnel, and their knowhow upon any serious problem that may arise in the field of forest-fire outbreaks in all those States. We believe that to be the commonsense method of combating this problem.

Incidentally, we are indebted to the Northeastern States for the program they worked out, which was previously approved by Congress some years ago, and which has proved to be successful. We are simply following in the path which has proven to be very beneficial to the participating States that have already joined together in the northeastern forest-fire-fighting compact.

MR. STENNIS. That is one of the points which I was interested in having the RECORD show, namely, that the compact under consideration is patterned on the experience obtained in the Northeastern States, which have been very effectively working together, as the Senator from Mississippi understands.

MR. HOLLAND. The Senator is correct. The Senator from Florida notes that the distinguished junior Senator from Alabama [MR. SPARKMAN] has entered the Senate Chamber. Since he was the leading sponsor of the measure, the Senator from Florida invites him to participate in the discussion, if he wishes to do so.

MR. AIKEN. Mr. President, will the Senator from Florida yield?

MR. HOLLAND. I yield.

MR. AIKEN. I merely wish to say that in putting forward this proposed legislation, the Senators from the Southeastern States are performing a great

service for their communities and their States.

As has been mentioned, the seven Northeastern States were given authority to join together in fighting forest fires, and also to join with the neighboring provinces in Canada, although the latter development has not materialized as yet because of the red tape that must first be unwound before such a compact can be brought into being.

The compact in the Northeastern States has worked wonderfully well, and I believe it has reduced damage from forest fires to what we might call a bare minimum.

Mr. HOLLAND. I thank the Senator. The report of the Secretary of Agriculture shows that the 10 States which have proposed the pending compact have within the boundaries of the compact area more than 98 billion cubic feet of standing timber, or 21 percent of the standing timber in the United States, and that the area produces about one-half of the Nation's pulpwood and about one-third of its lumber supply.

Mr. STENNIS. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. STENNIS. I wish to point out that this vast timber-growing area of the Southeast is one of the great assets of the Nation. The production of pulpwood is a comparatively new industry in that area, as is the production of poles and saw logs and piling, and so forth, and it is absolutely essential that everything possible be done to give that great area fire protection.

Although we are fortunate to have oil and gas in some areas of the Southeast, I have said many times that long after that oil and gas are gone the pine trees and the regrown forests will be furnishing a livelihood for hundreds of thousands of our people. I commend the Senator from Florida and the Senator from Alabama for their interest and work in connection with this matter.

Mr. SPARKMAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I shall be glad to yield.

Mr. SPARKMAN. I merely wanted to add a brief comment, which is prompted by something the Senator from Mississippi stated in speaking about the advancement in the production of pulpwood in that area. Only a few days ago I received a letter from the man in charge of operations of one of the paper mills in our section of the country, the River Newsprint Co. In the course of the letter he told me how much money that mill had spent in the area from which it buys pulpwood. He told me how many mills it has in various counties there, although I have forgotten how many counties he mentioned. He made a very significant statement, to which I particularly invite the attention of the Senator from Mississippi. He told me that the amount of money which that one mill had spent for pulpwood in that area—and it is a large area—had during the several years of the operations exceeded the value of the cotton mill in the same counties.

Mr. STENNIS. I am not surprised. It is very interesting to hear the Senator make that statement.

Mr. HOLLAND. Mr. President, in closing I should like to make this further statement: In addition to producing about one-half of the Nation's pulpwood and about one-third of its lumber, the area which is affected by the compact produces almost all of the supply of naval stores of the Nation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent and approval of Congress is hereby given to the Southeastern Interstate Forest Fire Protection Compact, as hereinafter set out. Such compact reads as follows:

"SOUTHEASTERN INTERSTATE FOREST FIRE PROTECTION COMPACT

"ARTICLE I

"The purpose of this compact is to promote effective prevention and control of forest fires in the southeastern region of the United States by the development of integrated forest fire plans, by the maintenance of adequate forest-fire fighting services by the member States, by providing for mutual aid in fighting forest fires among the compacting States of the region and with States which are party to other regional forest-fire protection compacts or agreements, and for more adequate forest protection.

"ARTICLE II

"This compact shall become operative immediately as to those States ratifying it whenever any two or more of the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, which are contiguous have ratified it and Congress has given consent thereto. Any State not mentioned in this article which is contiguous with any member State may become a party to this compact, subject to approval by the legislature of each of the member States.

"ARTICLE III

"In each State, the State forester or officer holding the equivalent position who is responsible for forest-fire control shall act as compact administrator for that State and shall consult with like officials of the other member States and shall implement cooperation between such States in forest-fire prevention and control.

"The compact administrators of the member States shall coordinate the services of the member States and provide administrative integration in carrying out the purposes of this compact.

"There shall be established an advisory committee of legislators, forestry commission representatives, and forestry or forest products industries representatives which shall meet from time to time with the compact administrators. Each member State shall name one member of the Senate and one member of the House of Representatives who shall be designated by that State's commission on interstate cooperation, or if said commission cannot constitutionally designate the said members, they shall be designated in accordance with laws of that State; and the governor of each member State shall appoint 2 representatives, 1 of whom shall be associated with forestry or forest products industries to comprise the membership of the advisory committee. Action shall be taken by a majority of the compacting States, and each State shall be entitled to one vote.

"The compact administrators shall formulate and, in accordance with need, from time to time, revise a regional forest-fire plan for the member States.

"It shall be the duty of each member State to formulate and put in effect a forest-fire plan for that State, and take such measures as may be necessary to integrate such forest-fire plan with the regional forest-fire plan formulated by the compact administrators.

"ARTICLE IV

"Whenever the State forest fire control agency of a member State requests aid from the State forest fire control agency of any other member State in combating, controlling, or preventing forest fires, it shall be the duty of the State forest fire control agency of that State to render all possible aid to the requesting agency which is consonant with the maintenance of protection at home.

"ARTICLE V

"Whenever the forces of any member State are rendering outside aid pursuant to the request of another member State under this compact, the employees of such State shall, under the direction of the officers of the State to which they are rendering aid, have the same powers (except the power of arrest), duties, rights, privileges, and immunities as comparable employees of the State to which they are rendering aid.

"No member State or its officers or employees rendering outside aid pursuant to this compact shall be liable on account of any act or omission on the part of such forces while so engaged, or on account of the maintenance, or use of any equipment or supplies in connection therewith: *Provided*, That nothing herein shall be construed as relieving any person from liability for his own negligent act or omission, or as imposing liability for such negligent act or omission upon any State.

"All liability, except as otherwise provided hereinafter, that may arise either under the laws of the requesting State or under the laws of the aiding State or under the laws of a third State on account of or in connection with a request for aid, shall be assumed and borne by the requesting State.

"Any member State rendering outside aid pursuant to this compact shall be reimbursed by the member State receiving such aid for any loss or damage to, or expense incurred in the operation of any equipment answering a request for aid, and for the cost of all materials, transportation, wages, salaries, and subsistence of employees and maintenance of equipment incurred in connection with such request: *Provided*, That nothing herein contained shall prevent any assisting member State from assuming such loss, damage, expense, or other cost or from loaning such equipment or from donating such service to the receiving member State without charge or cost.

"Each member State shall provide for the payment of compensation and death benefits to injured employees and the representatives of deceased employees in case employees sustain injuries or are killed while rendering outside aid pursuant to this compact, in the same manner and on the same terms as if the injury or death were sustained within such State.

"For the purposes of this compact the term "employee" shall include any volunteer or auxiliary legally included within the forest fire-fighting forces of the aiding State under the laws thereof.

"The compact administrators shall formulate procedures for claims and reimbursement under the provisions of this article, in accordance with the laws of the member States.

"ARTICLE VI

"Ratification of this compact shall not be construed to affect any existing statute so as to authorize or permit curtailment or diminution of the forest fire-fighting forces, equipment, services, or facilities of any member State.

"Nothing in this compact shall be construed to limit or restrict the powers of any State ratifying the same to provide for the

83D CONGRESS
2D SESSION

S. 3137

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 1954

Referred to the Committee on Agriculture

AN ACT

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utili-
6 zation, and for other purposes", approved August 28, 1937
7 (50 Stat. 869), is amended—

8 (1) By deleting the phrase "in the arid and semiarid

1 areas of the United States” from the first sentence in the
2 first section;

3 (2) By deleting the phrase “in the arid and semiarid
4 areas of the United States” in the last sentence of the first
5 section and inserting in lieu thereof the following: “in the
6 United States, including the Territories of Alaska and
7 Hawaii, and Puerto Rico and the Virgin Islands”.

8 (3) By deleting the phrase “in the said areas” wher-
9 ever it appears in section 2.

10 (4) By inserting at the end of said Act the following
11 new sections:

12 “SEC. 8. No aid shall be extended under the provisions
13 of this Act which will result in any individual, partnership,
14 trust, estate, or unincorporated association becoming in-
15 debted to the United States in a principal amount outstand-
16 ing at any time in excess of \$25,000, or which will result
17 in any corporation or agency becoming indebted in a prin-
18 cipal amount outstanding at any time in excess of \$250,000,
19 or which after January 1, 1954, shall provide for construc-
20 tion work, other than technical assistance, being done by
21 the Secretary.

22 “SEC. 9. (a) In order to establish a program of insuring
23 loans made by lenders other than the United States which
24 comply with the requirements of this Act and are in further-
25 ance of its objectives, the Secretary of Agriculture—

1 “(1) is authorized to insure and make commitments
2 to insure such loans on such terms and conditions as he
3 may prescribe;

4 “(2) is authorized to include in insurance contracts
5 agreements to service loans insured thereunder and to
6 purchase such loans which are not in default on such
7 terms and conditions as he may prescribe;

8 “(3) shall utilize the insurance fund (hereinafter
9 called the Fund) created by section 11 of the Bankhead-
10 Jones Farm Tenant Act, as amended, and the pro-
11 visions of sections 13 (b) and (c) of the said Bankhead-
12 Jones Farm Tenant Act to discharge obligations under
13 insurance contracts made pursuant to this Act;

14 “(4) shall require the borrower to pay such in-
15 surance charges as he deems proper, taking into account
16 the amount of the loan and prior liens: *Provided, how-*
17 *ever,* That the charge shall be payable in advance at
18 intervals of one year or less and shall be at a rate equal
19 to at least 1 per centum per annum of the principal out-
20 standing on the loan insured on the due date of the
21 charge;

22 “(5) may utilize the Fund to pay taxes, insurance,
23 prior liens, and other expenses to protect the security for
24 loans which have been insured hereunder, and to acquire
25 such security property at foreclosure sale or otherwise;

1 “(6) shall liquidate acquired security property in
2 such manner and on such terms as he deems will best
3 preserve the Fund; and

4 “(7) shall have authority to make such rules and
5 regulations and such delegations of authority as he deems
6 appropriate in order to carry out the provisions of this
7 Act.

8 “(b) Notes and the security therefor acquired by the
9 Secretary under insurance contracts shall become a part of
10 the Fund. The notes may be held in the Fund and collected
11 according to their terms or may be sold and reinsured. All
12 proceeds from such collections, including the liquidation of
13 security, and sales shall become a part of the Fund.

14 “(c) One-half of all insurance charges shall become a
15 part of the Fund and one-half shall be deposited in the Treas-
16 ury of the United States and shall be available for adminis-
17 trative expenses in connection with the insurance program
18 authorized by this Act.

19 “(d) Any contract of insurance executed by the Secretary
20 under this Act shall be an obligation of the United States and
21 incontestable except for fraud or misrepresentation of which
22 the holder of the contract has actual knowledge. The provi-
23 sions of sections 11 and 13 (b) and (c) of the Bankhead-
24 Jones Farm Tenant Act, as amended, shall be applicable and
25 available for the purpose of providing funds for the discharge

1 of obligations arising under the insurance program authorized
2 by this Act.

3 “(e) The aggregate amount of the principal obligations
4 on loans insured under this Act, shall not exceed \$25,000,000
5 in any one fiscal year.

6 “(f) The first paragraph of section 24, chapter 6, of the
7 Federal Reserve Act, as amended (12 U. S. C., 1952
8 edition, 371) is hereby amended by inserting after the phrase
9 ‘Bankhead-Jones Farm Tenant Act’ the following: ‘, or the
10 Act of August 28, 1937, as amended’.”

11 SEC. 2. Section 7 of the Act entitled “An Act author-
12 izing construction of water conservation and utilization
13 projects in the Great Plains and arid and semiarid areas of
14 the United States”, approved August 11, 1939, as amended
15 (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is
16 repealed.

Passed the Senate May 24 (legislative day, May 13),
1954.

Attest:

J. MARK TRICE,
Secretary.

AN ACT

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

MAY 25, 1954

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 14, 1954
For actions of July 13, 1954
83rd-2nd, No. 130

CONTENTS

Acreage allotments.....25	Hawaii.....10,11	Reclamation.....12,17
Appropriations.....7,14,24	Health.....9,27	Social security.....15
Budget.....31	Hospital construction...24	Soil conservation.....1
Contracts.....23	Insects; plant diseases..2	Taxation.....21,31
Education.....24,29	Inspection fees.....28	Tobacco.....19
Electrification.....8	Labor, farm.....15	Transportation.....16
Extension work.....4	Lands, public.....5	Veterans' benefits.....29
Farm program.....18,23,25	Legislative program....23	Water conservation.....1
Foreign aid.....7,14	Livestock and meats....28	Water resources.....10
Foreign trade.....19	Loans, farm.....1,3,11	Water utilization.....20
Forestry.....5,26	Monopolies.....13,22,30	
Government competition	Personnel.....6	
.....13,22,30	Price supports.....18,23	

HIGHLIGHTS: House committee voted to report water-facilities loans bill with amendment for soil-conservation loans, bill authorizing cooperation with Mexico and Canada in insect and plant-disease control, and bill authorizing emergency farm loans. House committee reported bill to transfer Indian extension work to USDA and States. House committee voted to report pay raise bill for classified employees. House received appropriation estimate for foreign aid. Senate committee reported foreign aid bill, and it was referred to Armed Services Committee. Senate committee voted against social security for farmers on compulsory basis. Rep. Cooley criticized Secretary's diverted acreage program. Sen. Bridges proposed and discussed measure to require annual budget balancing.

HOUSE

- 1. WATER FACILITIES LOANS.** The Agriculture Committee voted to report (but did not actually report) S. 3137, to extend the Water Facilities Act to the entire country and to increase the limitation on individual loans. The Committee agreed to the Senate provision authorizing insured loans under this program and also agreed to an amendment to authorize loans, on a direct and insured basis, for soil-conservation improvements. The Committee had previously reported a similar bill without these amendments. (p. D826.)
- 2. INSECTS; PLANT DISEASES.** The Agriculture Committee voted to report (but did not actually report) S. 3697, to authorize cooperation with Canada and Mexico in control of insects and plant diseases through use of the emergency and incipient outbreak authority (p. D826).
- 3. EMERGENCY FARM LOANS.** The Agriculture Committee voted to report (but did not actually report) S. 3245, to provide a new emergency loan program for farmers and stockmen (p. D826). The House had previously passed a similar bill, which was somewhat different from S. 3245.
- 4. EXTENSION WORK.** The Interior and Insular Affairs Committee reported without

-2-

amendment S. 3385, to transfer Indian extension work from the Interior Department to this Department and the States, except in the cases of Ariz. and N. Mex. (H. Rept. 2188)(p. 9871).

5. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 7912, to abolish the Old Kasaan National Monument, Alaska, and return the land to the national forest (H. Rept. 2191)(p. 9871).

The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 1254, to authorize permits, leases, or easements for not over 50 years to States and other public agencies for the purpose of constructing on national forest and other Federal lands public buildings or other public works (p. D827).

6. PERSONNEL. The "Daily Digest" states: "Committee on Post Office and Civil Service: Resumed consideration of H. R. 8093, Federal pay increase bill, and approved a 5-percent increase in the minimum rate of the respective grades of all employees paid under the Classification Act of 1949 (omitting GS-18)." (p.D828.)

The Judiciary Committee tabled H. R. 3602, to provide for garnishment, etc., of the wages of Federal employees (p. D828).

7. FOREIGN-AID APPROPRIATIONS. Received from the President an appropriation estimate of \$3,438,549,805 for the foreign aid program in the fiscal year 1955 (H. Doc. 474)(p. 9870).

8. ELECTRIFICATION. Concurred in the Senate amendment to H. R. 7664, to provide for development of the Priest Rapids site on the Columbia River (pp. 9813-4). This bill will now be sent to the President.

9. HEALTH INSURANCE. Recommitted, 238-134, H. R. 8356, to provide for reinsurance of voluntary health-service insurance organizations (pp. 9810-47).

10. HAWAII WATER RESOURCES. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 2843, to authorize the Interior Department to investigate and report to Congress on the conservation, development, and utilization of water resources in Hawaii (p. D827).

11. FARM LOANS. The Interior and Insular Affairs Committee reported with amendment H. R. 7568, to direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain contracts (H. Rept. 2193)(p. 9871).

12. RECLAMATION. Received the conference report on H. R. 5731, to authorize certain Santa Margarita reclamation facilities, Calif. (pp. 9847-8).

13. GOVERNMENT COMPETITION. Rep. Osmer spoke in favor of legislation to prevent Government competition with private enterprise (pp. 9809-10).

SENATE

14. FOREIGN AID. The Foreign Relations Committee reported with amendments H. R. 9678, authorizing foreign aid appropriations for the fiscal year 1955, and it was referred to the Armed Services Committee (S. Rept. 1799)(pp. 9874-5).

15. SOCIAL SECURITY. The "Daily Digest" states that the Finance Committee continued its executive consideration of H. R. 9366, the social security bill, after which it announced that it had tentatively agreed to allow individuals in various self-employed professional groups to elect to come under the OASI program within a limited period of about 2 years. The Committee also voted against

BREAKS INTERSTATE PARK, AND NOMINATIONS

Committee on the Judiciary: Committee, in executive session, ordered favorably reported with amendments S. 3168, granting the consent and approval of Congress to an interstate compact relating to the creation, development, and operation by the States of Kentucky and Virginia of a park to be known as the Breaks Interstate Park.

The committee also approved the nominations of Walter E. Hoffman to be U. S. district judge for the eastern district of Virginia, and William A. O'Brien to be U. S. marshal for the eastern district of Pennsylvania.

Also, the committee authorized the chairman to request that the committee be discharged from further consideration of H. R. 1325 and S. 2449, private bills, S. 2631, to prohibit the payment of Government retirement benefits to persons convicted of certain offenses, and S. 603, to prohibit labor espionage.

ALIENS

Committee on the Judiciary: Immigration and Naturalization Subcommittee continued its hearings on S. 3660, Illegal Employment of Aliens Act of 1954, and S. 3661, Illegal Transportation of Aliens Act of 1954, with testimony from the following witnesses, all of whom were proponents of the bills: Rocco Siciliano, Assistant Secretary of Labor for Employment and Manpower; Nicholas Dragon, CIO regional representative, Phoenix; Rev. Matthew Kelley, executive secretary, regional office of the Bishops' Committee for Spanish Speaking People, Houston; Walter Mason, AFL; and Ernest Galarza, National Agricultural Workers Union, AFL. Hearings continue tomorrow.

SCHOOL CONSTRUCTION

Committee on Labor and Public Welfare: Subcommittee on Education held and concluded hearings on

S. 3450, 3628, and 3629, bills providing financial assistance to school construction and maintenance and operation of schools in areas affected by Federal activities. Testimony was heard from the following witnesses, all of whom favored the general principles of the proposed legislation: Senators Burke, Bridges, and Pastore; John R. Teichert, Waverly Local Board of Education, Waverly, Ohio; C. A. Way, assistant superintendent of schools, Pike County, Ohio; W. J. Beoddy, executive head, Pike County Schools, Ohio; Dr. Samuel M. Brownell, Commissioner, accompanied by B. A. Lillywhite, Associate Director, Division of School Assistance in Federally Affected Areas, both of Office of Education, Department of HEW; S. Tani, State planning and development commission, New Hampshire; Stowe Wilder, board of education, Portsmouth, N. H.; Maurice Blais, board of education, Dover, N. H.; Roy Gillmore, superintendent of school union No. 21, Hampton, N. H.; J. H. Rice, assistant superintendent of schools, Fairfax County, Va.; Leonard Maine, superintendent of schools, Portsmouth, R. I.; Oscar V. Rose, superintendent of schools, Midwest City, Okla. (introduced by Senator Monroney); and Carl Barablec, superintendent of schools, Roseville, Mich.

INVESTIGATING COMMITTEES—RULES OF PROCEDURE

Committee on Rules and Administration: Subcommittee on Rules continued its hearings on miscellaneous resolutions dealing with rules of procedure for investigating committees. Witnesses heard today were Senators Ferguson, Saltonstall, and Stennis; Representative Velde; Robert L. Kunzig, chief counsel, House Committee on Un-American Activities; and A. M. Downer, VFW, who was accompanied by his associates. Hearings continue tomorrow.

House of Representatives

Chamber Action

Bills Introduced: 11 public bills, H. R. 9880-9890; 10 private bills, H. R. 9891-9900; and 4 resolutions, H. Con. Res. 253 and H. Res. 627-629, were introduced.

Page 9872

Bills Reported: Reports were filed as follows:

Two private bills, H. R. 2015 and 7229 (H. Repts. 2186 and 2187, respectively);

S. 3385, to provide for more effective extension work among Indian tribes and members thereof (H. Rept. 2188);

H. R. 5832, regarding sale of public lands in Hawaii to any lessee, sublessee, or permittee under a revocable permit who has been on such lands not less than 10 years

and is a citizen or has declared his intention to become one (H. Rept. 2189);

H. R. 6814, to facilitate the acquisition of non-Federal land within areas of the national park system (H. Rept. 2190);

H. R. 7912, to abolish the Old Kasaan National Monument, Alaska, and provide that the lands thereof shall be administered as a part of the Tongass National Forest (H. Rept. 2191);

H. R. 8205, to authorize the conveyance to the Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric-transmission-line purposes across lands of the Richmond National Battlefield Park, Va. (H. Rept. 2192);

H. R. 7568, a private bill (H. Rept. 2193);

H. R. 9690, to amend section 7 (d) of the Internal Security Act of 1950, as amended (H. Rept. 2194);

H. R. 8898, to amend the Civil Aeronautics Act re certificates of public convenience (H. Rept. 2195);

13 private bills, S. 46, 1165, 1634; H. R. 1157, 1701, 3237, 4185, 5807, 5870, 6526, 6697, 7093, and 9357 (H. Repts. 2196-2208, respectively);

H. R. 8628, places crude silicon carbide on the free list of imports (H. Rept. 2209);

H. R. 9248, to remove racehorses from the provisions of law granting temporary free importation in the country under bond for exportation within a limited period (H. Rept. 2210);

Conference report on H. R. 5731, to authorize construction, operation, and maintenance of certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif. (H. Rept. 2211); and

H. R. 5796, to amend the Bankruptcy Act to make tax liens of States and their subdivisions valid against trustees in bankruptcy (H. Rept. 2212); and

H. Res. 627, reiterating the opposition of the House of Representatives to the seating of Communist China in the United Nations (H. Rept. 2213). Pages 9871-9872

Columbia River Power: H. R. 7664, providing for development of Priest Rapids site on the Columbia River, was cleared for Presidential action when the House concurred in Senate amendments thereto.

Page 9813

Bank Loans: Vacated proceedings of passage on July 12 of H. R. 9144, relating to the lifting of restrictions or limitations upon real-estate loans to established industrial or commercial businesses in which the Small Business Administration cooperates, and passed S. 3480, a similar bill. This action clears the legislation for the White House.

Page 9814

Health Insurance: By a rollcall vote of 238 yeas to 131 nays H. R. 8356, the health service prepayment plan reinsurance bill, was recommitted to the Committee on Interstate and Foreign Commerce.

H. Res. 623, the open rule waiving points of order against, and making in order the consideration of a committee substitute amendment to the bill, was adopted earlier by a record vote of 274 yeas to 88 nays.

Pages 9810-9813, 9814-9847

Education: Representative Barden was replaced by Representative Kelley of Pennsylvania as a conferee on three bills relating to education (H. R. 7434, 7601, and 9040), after reading of letter of resignation of Mr. Barden as a conferee.

Page 9847

Vocational Rehabilitation: Representative Bailey was appointed to replace Representative Barden as a conferee on S. 2759, to promote and assist in the extension and improvement of vocational rehabilitation services.

Page 9847

Bills Referred: Three Senate-passed bills were referred to appropriate committees.

Page 9870

Program for Wednesday: Adjourned at 7:03 p. m. until Wednesday, July 14, at 12 o'clock noon when the House will consider S. 3458, authorizing the long-term charter of tankers by the Secretary of the Navy; and S. 3539, reenlistment bonuses for members of uniformed services; also may act on H. R. 236, authorizing the construction of the Fryingpan-Arkansas project in Colorado.

Committee Meetings

WATER—FARM LOANS—INSECT DISEASES

Committee on Agriculture: Ordered the following bills reported to the House—

S. 3137, amended, extending to the entire Nation certain provisions of the act of 1937 relating to conservation of water resources;

S. 3245, amended, to provide a new emergency loan program for farmers and stockmen; and

S. 3697, cooperation with Canada or Mexico for the control of insects and plant diseases.

Recessed until tomorrow when it will conduct public hearings on fungible goods purchased from the CCC, and a bill on agricultural land administration.

MILITARY PAY AND RETIREMENT

Committee on Armed Services: The Arends subcommittee approved the following bills for reporting to the full committee—S. 22, to validate certain payments for accrued leave made to members of the Armed Forces who accepted discharges for the purpose of immediate reenlistment for an indefinite period; H. R. 9302, amended, to permit retired members of the uniformed services who have elected to receive a reduced amount of retired pay in order to provide an annuity under the Uniformed Services Contingency Option Act of 1953, to revoke such election within 60 days after the date of enactment of this act where such elections were made because of mathematical errors or misinformation; and H. R. 9804, a private bill.

Lt. Col. Joseph Marshall, Office of Chief of Finance (Army), testified on S. 22. Speaking on H. R. 9302 were Representatives Bennett (Florida) and Miller (Maryland); Joseph Hoyt, Special Assistant to Chief of Naval Personnel; and Capt. Franz Willenbacher of the Retired Officers Association. Testimony on H. R. 9804 was received from Lt. J. M. Swing (U. S. Army, retired), Commissioner of Immigration and Naturalization, Department of Justice.

MILITARY HOUSING

Committee on Armed Services: The Special Subcommittee on Military Housing resumed on H. R. 9463, and virtually completed the Navy section of the measure. Meeting with the group were Rear Adm. Sherman R. Clark, Director, Shore Establishment Development and

EXTENSION OF THE WATER FACILITIES ACT

JULY 19, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 3137]

The Committee on Agriculture, to whom was referred the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 14, after the word "estate," insert the words "corporation engaged in farming".

Page 2, line 17, after the words "in any" insert the word "other".

Page 2, at the end of "SEC. 8" insert the following new "SEC. 9" and renumber subsequent section to conform:

SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improvement permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

STATEMENT

The purpose of S. 3137, with the committee amendments, is to enable and encourage expansion of conservation and improved use of America's two greatest resources—the soil and water—in two major programs:

1. By extending the benefits of the Water Facilities Act, now applicable only in the arid and semiarid areas of the United States, to

the entire United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands; and replacing the existing \$100,000 limitation on financial assistance for any one project with a new limitation of \$25,000 on the outstanding indebtedness of any individual farmer or rancher and \$250,000 in the case of a corporation or agency.

2. By setting up a new system of insured, as well as direct, loans for water facilities and extending this system to cover general conservation development and work including the improvement of farmland by soil- or water-conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary of Agriculture.

In addition to its great importance in advancing conservation work, the loan program authorized by this legislation should (1) materially assist in facilitating long-needed land use adjustments; (2) aid substantially in bringing about desirable uses of acres diverted from the production of surplus crops; and (3) relieve the impact of drought conditions in various areas of the Nation.

The Water Facilities Act of August 28, 1937, provides for financial and other aid in the construction and maintenance of facilities for water storage or utilization. In recent years this financial aid has been confined to loans which are made with appropriated funds. The need for extending these loans to humid areas and changing the amount and type of limitation upon them is fully explained in the letter from the Department of Agriculture requesting the legislation, which appears below.

In addition to these recommended changes, the Senate provided for insurance of loans in order to provide for use of private funds and facilities to the greatest extent practicable and thus make the loans available on a broader scope than otherwise would be possible.

The committee, in presenting the bill to the House, includes an amendment to the legislation as received from the Senate, expanding the program to include direct loans from appropriated funds and insurance of private loans for the purposes of financing general conservation practices.

In order to establish a program of insuring loans made by private lenders, the Secretary is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe.

The interest rates and the amount of insurance on loans will be fixed at levels intended to bring substantial private investments into the conservation and water facilities fields. The long-term loans will be adjusted to the repayment ability of individual borrowers. Under the present system of direct government loans to individuals for water facilities in the arid and semiarid areas, the interest rate is 3 percent and some loans run as long as 20 years.

The value of that part of the program related to insured loans for conservation is set forth in more detail in a letter from the Department of Agriculture which appears below.

DEPARTMENTAL VIEWS

The following are copies of the letters from the Under Secretary of Agriculture (1) transmitting this legislation for the consideration of

the Congress and (2) giving the Department's views on the committee amendment providing for insured loans for general conservation practices:

MARCH 10, 1954.

HON. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives.

DEAR MR. SPEAKER: There is transmitted herewith a proposed bill for the consideration of the Congress which would amend the provisions of the act of August 28, 1937, as amended, commonly known as the Water Facilities Act, relating to the conservation of soil and water resources in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization.

Briefly, this bill would effect two changes in the Water Facilities Act. First, it would make the provisions of the act applicable to the entire United States, including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands, thereby removing its present limited applicability to the arid and semiarid areas of the United States. Second, it would revise the limitation contained in section 7 of the act of August 11, 1939, as amended. Section 7 of that act, as amended, is an amendment of the Water Facilities Act. It limits the amount of Federal financial assistance to any one water facilities project to \$100,000 and defines the word "project." The proposed bill would replace that limit on the amount of Federal funds which could be expended on any one project with a limit of \$250,000 on the outstanding indebtedness of any corporation or agency by reason of assistance under the act, and a similar limitation of \$25,000 with respect to individuals, partnerships, trusts, estates, or unincorporated associations.

The Water Facilities Act authorizes the Secretary of Agriculture to formulate and keep current a program of projects for the construction and maintenance of water facilities and appurtenances to promote the proper utilization of land and to assist in providing facilities for water storage and utilization in the arid and semiarid areas of the United States. This legislation grew out of the facts revealed and the recommendations contained in the report of the President's Great Plains Committee entitled, "The Future of the Great Plains." The scope of the program has been limited to the 17 Western States commonly understood to contain most of the arid and semiarid areas of the country. In these areas, the quantity, quality, and availability of water for irrigation, livestock, and domestic use, rather than a lack of good soil, are frequently the primary limiting factors to agricultural development and stability. The wastage and inadequate development and utilization of water resources on farm, grazing, and forest lands constitute a most significant problem and contribute to the failure of many of our western farms to produce near capacity, to crop failures, and to a decline in standards of living. Although considerable progress has been made in overcoming this problem, much remains to be done to eliminate it completely.

There is ample evidence of an extensive need in the less arid areas of the country for the development and improved use of water supplies for farm homes, for livestock, and for irrigation of small gardens. According to a preliminary report of the 1950 census of housing, approximately one-half of the 5,894,000 occupied rural farm dwellings have no running water. This condition undoubtedly exists in many instances because of a lack of developed sources of water or a need for replacing or improving existing sources. Frequently the development or improvement of suitable water supplies is so costly that it cannot be accomplished by farmers from available farm income in any 1 year. The availability of adequate credit on suitable terms for water development and utilization is one of the important factors in obtaining any desired improvement of this condition.

In areas of the country normally considered humid, there has been an increasing interest by farmers in water facilities to supplement rainfall in the production of some crops, in the maintenance of year-round pastures, and in the introduction of other practices for increasing production. It has been shown that the use of irrigation systems prevents serious losses of income during periods of drought in these areas.

Although water facilities loans are now authorized in the 17 Western States, program operations relating to irrigation actually are limited to designated areas within those States. Before these areas were designated, it was necessary to conduct extensive technical studies into the availability of water resources, the feasibility of developing such resources, the proprietary right to use water, and the adaptability of the soils for the utilization of the water resources and for sound farming operations. If the program should be extended nationwide, we would expect to conduct similar technical studies of areas in the other States.

Until this could be done, the scope and rate of development of that phase of the program dealing with irrigation in the less humid areas would be difficult to forecast.

The second proposed change is concerned with the size of water facilities loans. Increase in the cost of materials and construction over the last several years necessitates a further increase in the size of any limit on the amount of financial assistance which may be given under the act.

Moreover, there is a need for loans larger than \$100,000 among cooperative water users associations, mutual irrigation companies, and irrigation districts. Usually the members of such organizations are unable to raise their pro rata share of the cost of installations, and the organizations are unable to borrow the amount needed on suitable terms and conditions from commercial banks, cooperative credit sources, and other recognized lending institutions. There is now no source of financing the construction or rehabilitation of the systems of such organizations if their needs exceed \$100,000.

The limitation on the cost of water facilities projects financed under the Water Facilities Act first appeared in the acts appropriating funds for use under that act. The purpose of the limitation apparently was to avoid any overlapping of activities under the Water Facilities Act and the activities under the reclamation laws. When the Wheeler-Case Act was amended by the act of October 14, 1940, which authorized more intensive development of smaller reclamation, flood control, and power projects, the limitation was enacted into basic legislation. No new projects are now being constructed under the Wheeler-Case Act, due to the fact that the formula for the justification of such projects included the use of WPA and other relief labor, which is not now available.

The present limitation is as follows: "On any one project undertaken pursuant to the act of August 28, 1937, entitled 'An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes' (50 Stat. 869), as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation, or financial assistance of any one project, shall not exceed \$100,000 of Federal funds, whether appropriated or allotted or both. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section." As heretofore indicated this limitation would be repealed and be replaced by a loan limit of \$250,000.

Now that the smaller reclamation undertakings are no longer being developed under the Wheeler-Case Act there exists a gap between the size of the facilities which can be undertaken now under the Water Facilities Act and the projects being developed under the reclamation laws by the Bureau of Reclamation. That gap should be closed. This bill would be a step in that direction. The change would make possible loans for the construction or rehabilitation of needed projects for which Federal assistance is not now available. In addition, the present definition of the word "project" is extremely limiting and difficult of administration when applied to certain types of facilities which, although independently owned and operated, may be related by engineering features or by use of water to another project undertaken with Federal assistance under the Water Facilities Act. The proposed section 8 would, however, terminate the authority of the Secretary to do the construction work on projects. Thus any overlapping of authority between the Bureau of Reclamation and the Department of Agriculture would be avoided. In addition, loans to individuals, partnerships, trusts, estates, or unincorporated associations would be limited to an outstanding principal balance not in excess of \$25,000. Loans to this type of borrower are usually for improvements to individual farms or very small projects and it is not believed that loans for these purposes need exceed \$25,000 at the present time.

This proposed legislation is consistent with the President's budget message, which states that—

"Existing legislation does not provide adequately for the financing of group water facilities and related small water supply projects. Proposals for legislation will be submitted at a later date to broaden the geographical area within which water facilities loans may be made, and to increase the loan limit."

It is believed that the additional funds necessary to carry out the water facilities program contemplated by this proposed legislation during the first year after its enactment would be \$5 million for the making of additional loans and \$350,000 for the administrative expenses in connection therewith.

The Department recommends the enactment of this proposed legislation.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

TRUE D. MORSE, *Under Secretary.*

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., July 15, 1954.

HON. CLIFFORD R. HOPE,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN HOPE: This is in reply to your request for a report on a proposed amendment to S. 3137 reading as follows:

"The Secretary of Agriculture is authorized upon such terms and conditions as he shall prescribe to make loans for the purposes of financing the improvement of farmland by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary."

We believe that legislation to provide such credit of suitable term and with adequate supervision to assure sound physical conservation and economic feasibility is desirable. There presently is a gap in available credit facilities both as to purpose and length of term of loans to effectively meet the needs of many farmers in this field.

The problems of bringing about shifts in land use resulting from acreage diverted from allotted crops (corn, cotton, and wheat) places increased stress on the need for this type of assistance. Technical assistance under the Soil Conservation Service program and cost sharing for installing conservation measures under the Agricultural Conservation Program Service is inadequate where desirable changing in land use involves capital investments, such as livestock, equipment, and buildings.

Most of the farmers who would be likely to benefit by enactment of such legislation would be those who cannot finance a shift to a soil-conserving system of farming, either by their own resources or through existing commercial credit channels. We must also recognize that the income from some farms may drop during the transition period. Legislation of this type should therefore permit a loan large enough to cover all of the costs and the necessary period involved in an important land-use adjustment.

A loan program, which would be directed mainly to farmers who cannot finance the needed land-use adjustments in other ways necessarily would involve some management supervision of the type now provided by the Farmers' Home Administration. The loan therefore should be made only on the basis of a physical soil conservation plan combined with a budget of estimated costs and returns resulting from the proposed land-use adjustments as compared with the present system. This would involve development of farm plans of the type now required for Farmers' Home Administration loans, especially those in the farm ownership program.

A loan program of this type could be of material assistance in facilitating much-needed land-use adjustments. It would be an important supplement to a revised agricultural conservation program designed to encourage such shifts on diverted acres.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

CHANGES IN EXISTING LAW

In compliance with clause 3, rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

ACT OF AUGUST 28, 1937

AN ACT To promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and nitrification, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and forest lands [in the arid and semiarid areas of the United States] resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the [arid and semiarid areas of the] United States including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands.

SEC. 2. In order to effectuate this policy and promote proper land use [in the said areas], the Secretary of Agriculture is hereby authorized, from time to time—

(1) To formulate and keep current a program of projects for the construction and maintenance [in the said areas] of ponds, reservoirs, wells, check-dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;

(2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of this Act, the facilities mentioned in section 2 (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of this Act;

(3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of this Act;

(4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of this Act.

SEC. 3. The facilities included in the program provided for in section 2 (1) may be located—

(a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and

(b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands.

SEC. 4. As a condition to extending benefits under this Act to any lands not owned or controlled by the United States or any of its agencies, the Secretary of Agriculture may, insofar as he may deem necessary for the purposes of this Act, require—

(1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation, and equitable utilization of waters;

(2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities;

(3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

SEC. 5. The Secretary of Agriculture, in administering the provisions of this Act, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in this Act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this Act, any funds available for the purposes of this Act.

SEC. 6. For the purposes of this Act, the Secretary of Agriculture may—

(1) Secure the cooperation of any governmental agency;

(2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of lawbooks and books of reference, for printing and binding, for the purchases, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses, and for other administrative expenses; and

(3) Perform such acts, and prescribe such rules and regulations as he may deem proper to carry out the provisions of this Act.

SEC. 7. There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

SEC. 8. No aid shall be extended under the provisions of this Act which will result in any individual, partnership, trust, estate, corporation engaged in farming, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any other corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farmland by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

SEC. 10. (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this Act and are in furtherance of its objectives, the Secretary of Agriculture—

(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

(3) shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this Act;

(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: Provided, however, That the charge shall be payable in advance at intervals of one year or less and shall be at a rate equal to at least 1 per centum per annum of the principal outstanding on the loan insured on the due date of the charge;

(5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund; and

(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this Act.

(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.

(c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this Act.

(d) Any contract of insurance executed by the Secretary under this Act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this Act.

(e) The aggregate amount of the principal obligations on loans insured under this Act, shall not exceed \$25,000,000 in any one fiscal year.

(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 edition, 371) is hereby amended by inserting after the phrase "Bankhead-Jones Farm Tenant Act" the following: " , or the Act of August 28, 1937, as amended."

THE FIRST PARAGRAPH OF SECTION 24, CHAPTER 6, OF THE FEDERAL RESERVE ACT

SEC. 24. Any national banking association may make real-estate loans secured by first liens upon improved real estate, including improved farmland and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold (1) under a lease for not less than ninety-nine years which is renewable, or (2) under a lease having a period of not less than fifty years to run from the date the loan is made or acquired by the national banking association, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association. The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 60 per centum of the appraised value of the real estate offered as security and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, and (2) the foregoing limitations and restrictions shall not prevent the renewal or extension of loans heretofore made and shall not apply to real-estate loans which are insured under the provisions of title II, title VI, title VIII, section 8 of title I, or title IX of the National Housing Act, or which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended. No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 60 per centum of the amount of its time and savings deposits, whichever is the greater. Any such association may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such association may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State in which such association is located.

SECTION 7 OF THE ACT OF AUGUST 11, 1939

[SEC. 7. On any one project undertaken pursuant to the Act of August 28, 1937, entitled "An Act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes" (50 Stat. 869), as amended and supplemented, expenditures for the construction, maintenance, operation, rehabilitation or financial assistance of any one project, shall not exceed \$100,000 of Federal funds, whether appropriated or allotted or both. All project facilities and appurtenances which depend for their utility in whole or in part upon each other or upon any common facility shall be deemed one project within the meaning of this section.]

C

83D CONGRESS
2D SESSION

S. 3137

[Report No. 2290]

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 1954

Referred to the Committee on Agriculture

JULY 19, 1954

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to promote conservation in
4 the arid and semiarid areas of the United States by aiding
5 in the development of facilities for water storage and utili-
6 zation, and for other purposes", approved August 28, 1937
7 (50 Stat. 869), is amended—

1 (1) By deleting the phrase “in the arid and semiarid
2 areas of the United States” from the first sentence in the
3 first section;

4 (2) By deleting the phrase “in the arid and semiarid
5 areas of the United States” in the last sentence of the first
6 section and inserting in lieu thereof the following: “in the
7 United States, including the Territories of Alaska and
8 Hawaii, and Puerto Rico and the Virgin Islands”.

9 (3) By deleting the phrase “in the said areas” wher-
10 ever it appears in section 2.

11 (4) By inserting at the end of said Act the following
12 new sections:

13 “SEC. 8. No aid shall be extended under the provisions
14 of this Act which will result in any individual, partnership,
15 trust, estate, *corporation engaged in farming* or unincorpor-
16 ated association becoming indebted to the United States in
17 a principal amount outstanding at any time in excess of
18 \$25,000, or which will result in any *other* corporation or
19 agency becoming indebted in a principal amount outstand-
20 ing at any time in excess of \$250,000, or which after Janu-
21 ary 1, 1954, shall provide for construction work, other than
22 technical assistance, being done by the Secretary.

23 “SEC. 9. *The Secretary of Agriculture is authorized,*
24 *upon such terms and conditions as he shall prescribe, to make*
25 *loans for the purposes of financing the improvement of farm*

1 *land by soil or water conserving or drainage facilities, struc-*
2 *tures or practices, improvement of soil fertility, establishment*
3 *of improvement permanent pasture, sustained yield afforesta-*
4 *tion or reforestation, or other erosion preventatives, and such*
5 *other related measures as may be determined from time to*
6 *time by the Secretary.*

7 “SEC. 9 10. (a) In order to establish a program of in-
8 suring loans made by lenders other than the United States
9 which comply with the requirements of this Act and are in
10 furtherance of its objectives, the Secretary of Agriculture—

11 “(1) is authorized to insure and make commitments
12 to insure such loans on such terms and conditions as he
13 may prescribe;

14 “(2) is authorized to include in insurance contracts
15 agreements to service loans insured thereunder and to
16 purchase such loans which are not in default on such
17 terms and conditions as he may prescribe;

18 “(3) shall utilize the insurance fund (hereinafter
19 called the Fund) created by section 11 of the Bankhead-
20 Jones Farm Tenant Act, as amended, and the pro-
21 visions of sections 13 (b) and (c) of the said Bankhead-
22 Jones Farm Tenant Act to discharge obligations under
23 insurance contracts made pursuant to this Act;

24 “(4) shall require the borrower to pay such in-
25 surance charges as he deems proper, taking into account

1 the amount of the loan and prior liens: *Provided, how-*
2 *ever,* That the charge shall be payable in advance at
3 intervals of one year or less and shall be at a rate equal
4 to at least 1 per centum per annum of the principal out-
5 standing on the loan insured on the due date of the
6 charge;

7 “(5) may utilize the Fund to pay taxes, insurance,
8 prior liens, and other expenses to protect the security for
9 loans which have been insured hereunder, and to acquire
10 such security property at foreclosure sale or otherwise;

11 “(6) shall liquidate acquired security property in
12 such manner and on such terms as he deems will best
13 preserve the Fund; and

14 “(7) shall have authority to make such rules and
15 regulations and such delegations of authority as he deems
16 appropriate in order to carry out the provisions of this
17 Act.

18 “(b) Notes and the security therefor acquired by the
19 Secretary under insurance contracts shall become a part of
20 the Fund. The notes may be held in the Fund and collected
21 according to their terms or may be sold and reinsured. All
22 proceeds from such collections, including the liquidation of
23 security, and sales shall become a part of the Fund.

1 “(c) One-half of all insurance charges shall become a
2 part of the Fund and one-half shall be deposited in the Treas-
3 ury of the United States and shall be available for adminis-
4 trative expenses in connection with the insurance program
5 authorized by this Act.

6 “(d) Any contract of insurance executed by the Secretary
7 under this Act shall be an obligation of the United States and
8 incontestable except for fraud or misrepresentation of which
9 the holder of the contract has actual knowledge. The provi-
10 sions of sections 11 and 13 (b) and (c) of the Bankhead-
11 Jones Farm Tenant Act, as amended, shall be applicable and
12 available for the purpose of providing funds for the discharge
13 of obligations arising under the insurance program authorized
14 by this Act.

15 “(e) The aggregate amount of the principal obligations
16 on loans insured under this Act, shall not exceed \$25,000,000
17 in any one fiscal year.

18 “(f) The first paragraph of section 24, chapter 6, of the
19 Federal Reserve Act, as amended (12 U. S. C., 1952
20 edition, 371) is hereby amended by inserting after the phrase
21 ‘Bankhead-Jones Farm Tenant Act’ the following: ‘, or the
22 Act of August 28, 1937, as amended’.”

23 SEC. 2. Section 7 of the Act entitled “An Act author-

1 izing construction of water conservation and utilization proj-
2 ects in the Great Plains and arid and semiarid areas of the
3 United States", approved August 11, 1939, as amended (53
4 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

Passed the Senate May 24 (legislative day, May 13),
1954.

Attest:

J. MARK TRICE,
Secretary.

AN ACT

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

MAY 25, 1954

Referred to the Committee on Agriculture

JULY 19, 1954

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

CONSIDERATION OF S. 3137

JULY 21, 1954.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 658]

The Committee on Rules, having had under consideration House Resolution 658, report the same to the House with the recommendation that the resolution do pass.



83^D CONGRESS
2^D SESSION

H. RES. 658

[Report No. 2440]

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (S. 3137) to make the
5 provisions of the Act of August 28, 1937, relating to the con-
6 servation of water resources in the arid and semiarid areas
7 of the United States, applicable to the entire United States,
8 and to increase and revise the limitation on aid available un-
9 der the provisions of the said Act, and for other purposes,
10 and all points of order against said bill are hereby waived.
11 After general debate, which shall be confined to the bill and
12 continue not to exceed one hour, to be equally divided and
13 controlled by the chairman and ranking minority member of

1 the Committee on Agriculture, the bill shall be read for
2 amendment under the five-minute rule. At the conclusion
3 of the consideration of the bill for amendment, the Com-
4 mittee shall rise and report the bill to the House with such
5 amendments as may have been adopted and the previous
6 question shall be considered as ordered on the bill and
7 amendments thereto to final passage without intervening
8 motion except one motion to recommit.

83d CONGRESS
2d Session

H. RES. 658

[Report No. 2440]

RESOLUTION

Providing for the consideration of S. 3137, a bill to make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

By Mr. ALLEN of Illinois

JULY 21, 1954

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 28, 1954
For actions of July 27, 1954
83rd-2nd, No. 142

CONTENTS

Animal inspection.....12	Farm program.....2,11	Patents.....3
Appropriations.....2	Flood control.....17	Personnel.....6,14
Assistant Secretary.....10	Foreign aid.....2,11	Poultry.....12
Atomic energy.....9	Foreign trade.....20	Price supports...2,5,21,23
Budget.....19	Forestry.....13	Pricing.....15
Committees.....7	Health insurance.....14	Purchasing.....2
Dairy industry.....5	Imports.....20	Reclamation.....22
Education.....24	Legislative program...8,11	Tobacco.....16
Electrification.....18	Loans, farm.....1	Virgin Islands.....12
Farm Bureau.....16	Minerals.....4	Water facilities.....1
Farm problems.....23	Nomination.....10	

HIGHLIGHTS: House passed water-facilities loans bill. House debated foreign-aid appropriation bill. Senate passed atomic energy bill. Senate committee reported Butz nomination. Rep. Hope introduced bill to restore inspection authority in Virgin Islands. Rep. Cooley criticized administration's farm program. Senate made foreign-aid authorization bill its unfinished business, and Sen. Knowland announced this would be followed by farm program bill.

HOUSE

1. WATER-FACILITIES LOANS. Passed as reported S. 3137, to expand coverage of the Water Facilities Act to the entire country, to increase the amount of loans for individual projects which is permitted under existing law, to enable water-facilities to be made through Government-insured loans by private institutions, and (through a House committee amendment) to authorize loans for carrying out soil-conservation practices (pp. 11631-4).
2. MUTUAL SECURITY APPROPRIATION BILL, 1955. Began and concluded debate on this bill, H. R. 10051, but deferred a final vote until today (pp. 11575-625). The bill appropriates \$2,895,944,000 (a reduction of \$542,605,805 in the Budget estimates) and continues available \$2,312,475,979 of unobligated funds (a reduction of \$269,607,749 in the estimates). The bill includes \$101,500,000 for technical cooperation, \$184,500,000 for development assistance, and \$12,000,000 for the UN Children's Fund.
Rejected, 34-110, a Vorys amendment to increase the technical assistance item by \$17,958,000 and also rejected a Javits amendment (to this amendment) increasing the item by \$30,028,000 (pp. 11617-23). Rejected several other amendments changing the amounts in the bill.
An amendment by Rep. Phillips, to provide that not less than \$4,100,000 of the technical-assistance item be made available to FAO for multilateral technical

cooperation, was ruled out of order (p. 11617).

Rep. Cooley stated that the cost of farm programs is "inconsequential" when compared with foreign-aid and other costs, commended the present price-support program, and criticized the proposed flexible program (pp. 11598-602).

The committee report on this bill questions the validity of outstanding obligations and states that there was "a deliberate effort to tie-up or dispose of available funds before the June 30 deadline."

The bill contains a provision prohibiting the procurement of equipment or materials outside the U. S., under this program, unless the President makes certain findings.

3. PATENTS. Passed as reported H. R. 3534, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owners in the armed forces or by production controls (pp. 11629-31).
4. MINERALS. Received the conference report on S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands (H. Rept. 2552)(pp. 11635-9).
5. PRICE SUPPORTS. Rep. Marshall inserted a farmer's letter criticizing the reduction in dairy supports (p. 11635).
6. PERSONNEL. A Post Office and Civil Service subcommittee voted to report to the full committee H. R. 9586, to eliminate certain loopholes in the law which permit excessive annuity benefits, under the Civil Service Retirement Act, for nominal periods of service (p. D904).
7. COMMITTEE ASSIGNMENTS. Rep. Keogh was transferred from the Merchant Marine and Fisheries Committee to the Ways and Means Committee (p. 11576).
8. LEGISLATIVE PROGRAM. Rep. Halleck announced that the Consent Calendar will be read this week and several bills will be considered under suspension of the rules, and he said: "as far as we are concerned here in the House..., I think that on the whole by the time the week is out we will have disposed of the matters that are to be disposed of in this session of Congress." (pp. 11625-6.)

SENATE

9. ATOMIC ENERGY. Passed, 57-28, with amendments H. R. 9757, the atomic energy bill (pp. 11643-713, 11716-55).
10. NOMINATION OF Earl L. Butz, to be Assistant Secretary of Agriculture, was favorably reported by the Agriculture and Forestry Committee (p. 11715).
11. LEGISLATIVE PROGRAM. H. R. 9678, the foreign-aid authorization bill, was made the unfinished business, and Sen. Knowland announced that this would be followed by the farm program bill (p. 11755).

BILLS INTRODUCED

12. VIRGIN ISLANDS. H. R. 10077, by Rep. Hope, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified basis; to Agriculture Committee (p. 11642).
13. FORESTRY. H. R. 10075, by Rep. Engle, to authorize adjustment and clarification of ownership of certain lands in the Stanislaus National Forest, Calif.; to Agriculture Committee (p. 11642).

It should also be borne in mind that under this bill no extensions will be granted without a proper showing of substantial injury and that full provision has been made to protect the interests of those who might have intervening rights.

The Patent Office, which under this bill will have the responsibility for administration, has already had successful experience in administering such extensions under Public Law 598.

This bill will not lead to added expense on the part of the Government for the fee provisions as drafted were designed to take care of the cost of processing of the applications through the Patent Office.

Because in these closing days of Congress time is so precious I will not go further into the many cogent reasons why this bill should receive the support of each and every Member. Our inventors should be encouraged, not discouraged. A pronouncement of our Supreme Court made on March 8 of this year supports this view:

The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in science and useful arts. Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.

There is just one additional point I wish to emphasize. And that relates to the question of the inclusion in the report of the three letters submitted at the hearing time in 1953 by the Departments of Commerce, Justice and Navy respectively. The Navy letter contains the statement that the Department of the Navy does not wish to object to the passage of the bill. The Commerce Department and the Justice Department, however, did raise objections and it would be well to explain that these objections pertained, at that time in 1953, to the basic H. R. 3534 which has been significantly amended since that time by the committee. In fact, I am advised that the majority of the amendments were worked up in collaboration with the Commerce Department and the Patent Office and were pronounced by the personnel of these agencies to result in an elimination of any problem and objections which they posed in their original letter to the committee and would cure any objections that they had to the passage of the bill if the Congress would see fit to adopt these amendments. The committee did adopt these amendments in total, therefore it is my opinion and I am sure those of the members of the committee that the Department of Commerce and the Justice Department do not now voice objections of the bill in its present form.

Mr. KEATING. Mr. Speaker, I will leave to others, who by training and experience are better qualified than I, to discuss the niceties of legal theories regarding the characteristics of the rights which are granted to inventors by the issuance of patents by the United States.

My remarks will be confined to the fundamental merits of this bill as a demonstration of the determination of

Congress to redeem the merited reputation that our Government holds for discharging whatever obligations it assumes.

As a prelude to these brief comments, it is sufficient to reiterate the significant words of our Constitution by which Congress is granted the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries."

I speak only to the basic question presented by this bill of whether or not the Congress, pursuant to this purposeful grant of power in the Constitution, already has passed legislation under which the Government has fully discharged the obligations it assumed by the issuance of patents to inventors. To weigh the equities of the proposed legislation now under consideration, it is immaterial to me whether the holder of a patent issued under our present laws has the exclusive rights to its full use and exploitation or whether he has merely a right to exclude others from its use. Under any theory, the fundamental issue before us is whether or not the Government has fairly and diligently and completely carried out the obligations thus assumed.

From the testimony presented to the Committee on the Judiciary upon the hearings on this and several other bills for patent extension, I believe the conclusion is inescapable that the Government is at least morally bound to grant an extension of the terms of patents under the conditions specified in the bill as amended by the committee.

Essentially, the rights granted to an inventor by the issuance of a patent under our laws are analogous to those which arise out of a simple contract. In exchange for the public disclosure and dedication of an invention, the Government of the United States solemnly undertakes to secure to the inventor the exclusive rights to the use of his invention for a full period of 17 years. That is the inducement to inventors which the Government has long offered by law and upon which inventors have been led to rely.

Now, as legislators we would be justifiably incensed if some one proposed that we enact a statute arbitrarily reducing the terms of patents heretofore issued and outstanding from the issued period of 17 years to a period of 13 years or even less. We would regard such a proposal as a clear violation of the obligations which the Government assumed when the patent was issued. And yet the result is the same when the Government during public emergencies, issues an order directing that for a period of time the holder of a patent shall not use certain machines or articles or materials or processes the use of which is necessary to the use or development or manufacture or exploitation of a patented invention. A similar result occurs when the inventor himself is drafted into the armed services or is accepted for enlistment therein.

The fact that the Government does not take such drastic measures except

during public emergencies does not justify the Government refusing to make reasonable restitution for that part of the 17-year period of the patent during which the action of the Government prevented or substantially curtailed the use and development of the patent. In my opinion, the provisions of this bill would provide no more than reasonable restitution in those classes of cases most directly affected.

The right to the exclusive use of a patented invention for the full period of 17 years is analogous to, if not in essence, a right of property. Where the Government expropriates private property for public use it is required by the Constitution to pay just compensation therefor. If public emergencies such as World War II or the Korean conflict force the Government to abridge the special obligations it assumed by the issuance of patents, the least the Government can do to make good its original undertaking is to extend the terms of such patents for a period corresponding to that during which the normal use or development of the patent was prevented or substantially curtailed.

My conclusion is that unless a bill such as H. R. 3534 is enacted into law, we cannot contend that our Government has fairly and justly carried out the obligations it assumed by the issuance of patents under our laws. To avoid such an unjust and distasteful consequence I urge all of my colleagues to support this bill.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House resolution 655 was laid on the table.

EXTENSION OF THE WATER FACILITIES ACT

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes," approved August 28, 1937 (50 Stat. 869), is amended—

(1) By deleting the phrase "in the arid and semiarid areas of the United States" from the first sentence in the first section.

(2) By deleting the phrase "in the arid and semiarid areas of the United States" in the last sentence of the first section and in-

serting in lieu thereof the following: "in the United States, including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands."

(3) By deleting the phrase "in the said areas" wherever it appears in section 2.

(4) By inserting at the end of said act the following new sections:

"Sec. 8. No aid shall be extended under the provisions of this act which will result in any individual, partnership, trust, estate, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

"Sec. 9. (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this act and are in furtherance of its objectives, the Secretary of Agriculture—

"(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

"(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

"(3) shall utilize the insurance fund (hereinafter called the fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this act;

"(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: *Provided, however*, That the charge shall be payable in advance at intervals of 1 year or less and shall be at a rate equal to at least 1 percent per annum of the principal outstanding on the loan insured on the due date of the charge;

"(5) may utilize the fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

"(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the fund; and

"(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this act.

"(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the fund. The notes may be held in the fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the fund.

"(c) One-half of all insurance charges shall become a part of the fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this act.

"(d) Any contract of insurance executed by the Secretary under this act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of

obligations arising under the insurance program authorized by this act.

"(e) The aggregate amount of the principal obligations on loans insured under this act, shall not exceed \$25 million in any 1 fiscal year.

"(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 ed. 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the act of August 28, 1937, as amended'."

SEC. 2. Section 7 of the act entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States," approved August 11, 1939, as amended (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

With the following committee amendments:

Page 2, line 14, after the word "estate", insert the words "corporation engaged in farming."

Page 2, line 17, after the words "in any", insert the word "other."

Page 2, at the end of "SEC. 8", insert the following new "SEC. 9" and renumber subsequent section to conform:

"SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practice, improvement of soil fertility, establishment of improvement permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary."

The committee amendments were agreed to.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, this bill will do more in behalf of the farmer who resides outside of the so-called arid or semiarid West than any legislation proposed to this House during my service here. I have received many communications from my district in the interest of water facilities loans. These loans are now being made in 17 States of the West. The program has been successful in that more than \$30 million has been loaned since the original act was approved in 1937 and only \$9,700 has been written off. All States should be accorded the same consideration which this bill offers. The bill would, first, extend to the entire United States the benefits of the Water Facilities Act; second, would replace the existing maximum loan amount of \$100,000 for any one project with a limitation on the outstanding indebtedness of any one borrower of \$25,000 in the case of an individual farmer or corporation engaged in farming and \$250,000 in case of farmers' associations; and, third, provide for insured loans as well as direct loans.

The drought in the State of Arkansas is in its third year. If a general rain is not had across the State soon, the situation will be as desperate as in 1953. Recently, I have obtained from the United States

Department of Commerce, Weather Bureau, some rainfall figures which are significant. The total and normal rainfall from May 21 through September 30, 1953, is as follows:

	Total	Normal
Helena.....	1.48	15.87
Marked Tree.....	8.38	15.87

These figures indicate the serious problem confronting eastern Arkansas farmers.

Farming is a perilous undertaking since those who engage in the occupation subject themselves to the risk of all types of weather conditions. Should irrigation loans be made available, risks and hazards would be greatly minimized. To provide water on farmlands during the dry months would make it easier for farmers to obtain crop production loans from private agencies. Irrigation methods on row crops have been resorted to in many Southern States in the past 2 years. Pasture irrigation is increasing at a rapid rate. To be able to put water on farmlands when it is needed will revolutionize farming in the days that lie ahead.

I trust that the bill will be approved.

Mr. SMITH of Mississippi. Mr. Speaker, I am pleased to join in urging the House to pass S. 3137, to extend the Water Facilities Act throughout the United States. I have a special interest in this bill to make irrigation loans available to farmers over the Nation, because I was the first Member of Congress to introduce such legislation in the House. I realize, of course, that the legislative situation is such that it is more practical to pass the Senate bill than the original House bill today, and I heartily endorse this action.

The program which will be authorized for the entire country if this bill becomes law will vastly improve efficient agricultural production throughout the United States. If this program is properly administered, it will greatly lessen the economic burden of the searing droughts which have been so costly to American farmers during the past few years.

In Mississippi, we have an abundant supply of rainfall, but even that total rainfall is not distributed properly for the best production of almost every type of agricultural commodity. With water supply at hand, the farmer needs only proper irrigation facilities to make the best use of this resource. Irrigation equipment is a major investment, however, and only through a loan program such as is authorized here can there be any assurance that the average farmer will be able to buy the equipment.

EXAMPLE FROM MISSISSIPPI

The situation in my State of Mississippi best explains the value of this legislation to the non-Western States. The weather cycle during a year of record rainfall makes it abundantly clear, however, that the normal pattern of rainfall does not result in the best use of the water supply with which our region has been blessed. There can be no question but that certain types of irrigation will yield benefits to our entire agricultural economy.

Expansion of rice production in Mississippi first demonstrated the advan-

tages of a regular irrigation system. It is obvious that pastureland can be a primary beneficiary from irrigation, but the limited experiments and studies which have been made in our area indicate that inexpensive irrigation practices would often be beneficial for row crops like cotton and corn. If productive efficiency can be increased in this manner, then it is certainly wasteful not to put such practices into operation.

SOUND WATER STUDY NEEDED

Before irrigation develops in haphazard fashion in our area, it is important for the future prosperity of the entire State to know more about our basic water resources. Such a study should be a joint venture of local, State and Federal governmental agencies, as well as private organizations and citizens concerned with the problem. With this in mind, I have helped to secure the cooperation of the United States Geological Survey in a study being sponsored by the State of Mississippi. The information secured from this study should provide the basis for a sound water conservation policy to be adopted by the State. The sooner such a policy is adopted, the less chance there will be for the necessity of restrictive legislation limiting the use of wells for agricultural and industrial purposes.

Water has always been a natural enemy for farmers in the Mississippi Delta and the adjacent bluff hills, but there is good reason to believe that an important part of this surface water can be utilized for irrigation purposes in the future. Certainly the further development of our flood control program should be coordinated with the expected needs of water supply for irrigation purposes.

Water supply is not merely an agricultural problem. It is a major need for many types of industrial development, and assurance of a stable, adequate supply will be of great value in our State in its program of achieving a balance between agriculture and industry. Forethought today in the matter of intelligent use of our water resources will save us many headaches in the future.

Mr. Chairman, I urge prompt and favorable action on this bill, which can mean so much to the farmers of our country.

Mr. HOWELL. Mr. Speaker, I am glad to support the proposal from the Department of Agriculture for extending to the entire country the benefit and loan provisions of the Water Facilities Act of August 28, 1937.

As initially drawn, the act has applied only to the arid and semiarid regions of the country, particularly States and parts of States in the Great Plains area. It was one of a series of steps undertaken by the Roosevelt administration to fight the ravages of duststorms, erosion, drought, and economic disaster for agriculture and small business of that section of the country.

An extension of the principles of that law into other areas of the country where water supply is a serious and growing problem is logical and proper. In New Jersey, with our great truck-farming operations, usually on family-size acre-

age, water supply is becoming a subject of greater and greater local interest.

Wise use of irrigation and overhead sprinkling systems in the New Jersey truck farms has been an important factor in increasing the yield and in making for more efficient and more remunerative farming in my State. I know that the agencies of New Jersey and the farmers of New Jersey will join wholeheartedly with the Soil Conservation Service in providing the necessary State and local cooperation for any joint programs undertaken under this bill to expand water-storage facilities and to provide for the construction of necessary ponds, reservoirs, wells, check dams, pumping installations, and such other facilities as are indicated by the proposed survey which would be made under the bill.

As for the loan provisions for assistance to cooperative water users' associations or to individuals in getting adequate water facilities, I am glad the Department of Agriculture has recognized the existence of a problem here and is seeking to help.

As the Department stated in its letter to the Congress forwarding a draft of the proposed legislation:

There is ample evidence of an extensive need in the less arid areas of the country for the development and improved use of water supplies for farm homes, for livestock, and for irrigation of small gardens. According to a preliminary report of the 1950 census of housing, approximately one-half of the 5,894,000 occupied rural farm dwellings have no running water. This condition undoubtedly exists in many instances because of a lack of developed sources of water or a need for replacing or improving existing sources. Frequently, the development or improvement of suitable water supplies is so costly that it cannot be accomplished by farmers from available farm income in any 1 year. The availability of adequate credit on suitable terms for water development and utilization is one of the important factors in obtaining any desired improvement of this condition.

The limit of \$25,000 which could be borrowed at any one time under this bill by any individual, partnership, corporation engaged in farming or association, and the \$250,000 limit for a loan on any single project should be ample to cover most needs for credit to build necessary facilities, and those limitations are probably wise for the present—particularly while the program is just getting started in new regions.

If experience shows that more leeway is needed on loan limits on bigger projects, the limitation can always be changed once we have built up some experience under the expanded program.

While this bill appropriates no funds for the work but merely authorizes appropriations to be made in other legislation, I understand that the Department of Agriculture and the Bureau of the Budget feel that \$5 million for additional loans and \$350,000 for administrative expenses should cover the first year's operations. In that respect, as well as in the provisions of the bill setting maximum limits on individual loans, I think experience should be the best teacher as to what the real needs will be.

I would like to suggest, Mr. Speaker, that in addition to this worthwhile measure to help our farmers to get more adequate water supply and storage facilities, we also do some serious thinking and come forward with legislation to assure more adequate water supplies to our large cities and to industry. This is a problem of deep and long-range significance; and we have only touched its surface.

Mr. HOPE. Mr. Speaker, this bill, S. 3137, is a companion bill to H. R. 8386, introduced by myself; H. R. 8398, by Mr. ABERNETHY; H. R. 8437, by Mr. SMITH of Mississippi; H. R. 8443, by Mr. ELLIOTT; H. R. 8874, by Mr. BATTLE; and H. R. 9069, by Mr. CURTIS of Nebraska. In addition, Mr. GATHINGS of Arkansas introduced H. R. 5975, having the same purpose as this legislation.

Both the House and Senate bills, as originally introduced, provided for an extension of the Water Facilities Act to all of continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, instead of applying only to 17 Western States, as provided in the original Water Facilities Act. The bill also replaced the existing \$100,000 limitation on financial assistance for any one project, with a new limitation of \$25,000 on the outstanding indebtedness of any individual farmer or rancher, and \$250,000 in the case of a corporation or agency.

The bill in the form in which it was reported by the House Committee on Agriculture also contained amendments providing for a system of direct loans for soil-conservation purposes. This is contained in section 9 of the bill. The bill also provides for a program of insured loans for the purpose of aiding in the development of facilities for water storage and utilization, and for soil-conservation purposes.

The amendment which was adopted by the Committee on Agriculture to include the improvement of farmland by the construction of soil and water conserving or drainage facilities, and so forth, was offered by the gentleman from South Dakota [Mr. LOVRE], who has long advocated a program of this kind.

In the first session of this Congress Mr. LOVRE and Mr. POAGE introduced bills setting up a system of insured loans for conservation activities. Also the gentleman from Nebraska [Mr. CURTIS] included a program of insured loans in the bill which he introduced covering water facilities.

Thus the bill in the form in which it has passed the House is an exceedingly important measure and one of wide general interest.

I think it is difficult to overestimate the effect which this legislation may have on the future agricultural progress of this country. In addition to its great importance in advancing conservation work, the program authorized by this legislation should materially assist in facilitating long-needed land-use adjustments. It should aid substantially in bringing about desirable uses of acres diverted from the production of surplus crops, as well as relieve the impact of drought conditions and stabilize the agriculture in various areas of the Nation.

The fact that the bill has just passed the House by unanimous consent demonstrates the wide recognition of its importance and value.

Mr. WICKERSHAM. Mr. Speaker, in addition to other favorable features, this measure will provide for Government insurance of loans made by banks and other lending institutions for the purpose of drilling wells, irrigation systems, domestic water, and for both direct and insured loans for soil-conservation improvements to individual farmers, water districts, and associations.

I have recommended such legislation for some years, and I heartily commend the House Agricultural Committee for its favorable action.

Mr. LOVRE. Mr. Speaker, existing legislation authorizes the making of direct Government loans for water facilities only to farmers in the 17 Western States. S. 3137 extends the applicability of the program to the entire Nation and raises the ceiling on loans to incorporated water associations from \$100,000 to \$250,000. S. 3137 also contains two other significant amendments. The first of these is a completely new authorization to make loans for soil-conservation purposes. The second is a provision for insuring loans advanced by private lenders for both water facilities and soil conservation.

This legislation represents a positive step forward in helping to stabilize the income of our farmers and in accelerating the work being done in preserving the Nation's soil resources. Enactment of these amendments will assist in carrying out long needed adjustments in land use, aid in making desirable use of acres diverted from surplus crops and materially assist in preventing losses due to drought.

Through the provisions of S. 3137, loans to assist in stabilizing production and income through irrigation and farmstead water facilities will be available throughout the Nation for many farmers who do not now have the resources, and who cannot otherwise secure credit, to make the necessary investment. Irrigation loans can be made for such things as construction of canals, water-distribution systems, land leveling and sprinkler equipment. Farmstead loans can be made for such things as providing water in barnyards and feedlots or for piping water into the dwelling. The loans will be scheduled for repayment over a sufficient number of years to be consistent with the repayment ability resulting from the greater income. Through provision for larger loans to incorporated water associations, the act broadens the service that can be given by helping groups of farmers make the large outlays for water supplies that are often necessary in order to bring water a sizable distance, dig deep wells, or provide for difficult distribution systems.

The provision for loans for soil conservation will provide the beginning of a realistic approach toward placing the necessary funds for adequate soil-conservation practices in the hands of those farmers who are farming the land where soil-conservation practices are most needed. Repeated studies of the soil-

conservation problem have shown on the one hand that although great strides have been made in conserving the soil resources of the Nation, this progress has not been sufficient to offset the continually increasing drain through erosion, improper cropping practices, and other types of soil depletion. On the other hand, these studies have shown that soil-conservation work is seriously retarded in many areas where it is most needed because of lack of cash resources to install soil-conservation waterways, terraces, dams, and other permanent types of conservation measures.

The insured mortgage provision contained in S. 3137 should assist materially in providing water facilities and soil-conservation loans in sufficient volume to make a major contribution toward stabilizing the income of farmers and stepping up the rate at which soil-conservation measures are adopted. At the same time, it will provide the means of shifting the burden of loan financing from the Government to private lenders.

The existing legislation authorizing water facilities loans has resulted in a highly satisfactory program which justifies extension to the entire Nation. The repayment record of borrowers has been excellent. Approximately 99 percent of loan maturities have been repaid. Less than \$10,000 has been lost since the program was started in 1937.

These loans provisions are similar to a bill which I introduced in March of 1953, and I am very pleased that the committee has seen fit to include them as a part of this bill and that it was my amendment which brought this about.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 658 was laid on the table.

IN RECOGNITION OF THE HONORABLE EDWARD J. HART

(Mr. RODINO asked and was given permission to extend his remarks at this point.)

Mr. RODINO. Mr. Speaker, it is with mingled feelings that I invite the attention of the House to the impending retirement of our eminent colleague, the Honorable EDWARD J. HART. While I am honored and happy to have the opportunity of expressing my personal regard and esteem for this outstanding legislator and friend, I am at the same moment saddened by the thought that the Congress and our country will no longer be served by Representative HART. In the role of dean of New Jersey's Democratic delegation, he provided dynamic inspiration to those of us privileged to have worked by his side. We invariably received sage counsel from him when we sought his sound advice. I am confident that I express the opinion and sentiment of all his associates who will very keenly sense his absence after the present session of Congress.

With the 74th Congress which convened in January 1935, he began a distinguished career which will have extended through 10 Congresses. The

14th New Jersey Congressional District must shoulder a difficult challenge, indeed, in its endeavor to select a worthy successor who will adhere as closely to high ideals of public service. Never can we take lightly 20 years of illustrious devotion to duty, which were characterized by both the brunt of economic, social, and political upheavals and their trying aftermaths. He found himself embroiled in the wake of the great depression, with its severe economic implications, and after participating in the social-security problems which were soon to follow, the Second World War and the Korean conflict added their heavy burdens to the respective sessions of Congress in which he served. Throughout a long and trying period in Congress, he served with merit and distinction.

I should like nothing better than to relate here on the floor the varied achievements and efforts which crowned the Honorable EDWARD J. HART's noteworthy career in this House. And I am assured the membership as well as all who read the proceedings, would welcome my endeavor. I shall, however, recall for you only a few of his more conspicuous accomplishments.

Almost simultaneously with his being seated in the 74th Congress, he was appointed to the House Merchant Marine and Fisheries Committee and shortly thereafter was participating actively in the drafting of the Merchant Marine Act of 1936. This act came at a propitious time, because it materially helped to save the day for the dangerously declining United States shipping industry. He consistently maintained an active interest in our merchant marine, and in February 1950 became chairman of the House Merchant Marine and Fisheries Committee. National recognition followed his appointment in 1945 as the first chairman of the permanent House of Representatives Un-American Activities Committee. Public housing and veterans' legislation constitute another broad, general area which furnished him the opportunity to seek enactment of progressive social legislation. His energetic participation in subsequent congressional struggles reflected his sincere concern with the cause of human welfare. He also brought a profound understanding to bear upon labor legislation, and frequently demonstrated his sympathy for the laboring groups in America.

The New York Herald Tribune fully recognized his sincerity and competence by stating in an editorial that he was "an able legislator" and applauded his credo of the committee's function. Mr. HART was quoted as deploring the attitude found in so many quarters that a thing is un-American because it is opposed to the personal views of those who are doing the denouncing.

Early in the course of World War II, Mr. HART exercised a vigorous opposition to communism, welcoming all subsequent opportunities to employ his unusual oratorical ability in the fight against subversive elements. He proved this antagonism clearly and effectively in his committee work and assignments, and also during numerous speaking en-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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CONTENTS

Appropriations.....20	Health insurance.....18	Prices, support.....25
Assistant Secretary.....12	Housing, farm.....10	Soil conservation.....2
Atomic energy.....6	Incentive awards.....13	Tariffs.....17
Banking & currency.....4	Lands.....22	Taxation.....2
CCC.....3	reclamation.....5	Trade agreements.....8
Drought relief.....15	Livestock.....24	Water conservation.....2
Expenditures.....20,21	Loans, farm.....9,10	Water facilities.....9
Export-Import Bank.....4	Monopolies.....14	Watershed protection....19
Farm program.....7,16,23	Nomination.....12	Wildlife.....22
Foreign aid.....1,11	Personnel.....13,18	Wool.....24
Forests & forestry.....26	Potatoes.....16	

HIGHLIGHTS: House passed mutual security appropriation bill. House agreed to conference report on tax revision bill. Senate concurred in House amendments to water-facilities loans bill. Senate agreed to conference report on housing bill. House debated bill to increase CCC borrowing power. Senate debated mutual security authorization bill. Senate confirmed Butz nomination. Senate committee reported bill for uniform system of incentive awards. Sens. Butler and Kuchel criticized rigid price supports. Sens. Symington urged drought relief. Rep. Hope explained watershed bill.

HOUSE

1. MUTUAL SECURITY APPROPRIATION BILL, 1955. Passed, 266-128, with amendments this bill, H. R. 10051 (pp. 11757-8).
2. TAXATION. By a 315-77 vote, agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11758-67, 11769). The bill includes a provision allowing farmers to deduct expenditures for soil-water conservation as expense rather than capitalization.
3. COMMODITY CREDIT CORPORATION. Began debate on H. R. 9756, increasing the borrowing power of CCC from \$8,500,000,000 to \$10,000,000,000. Rejected, 29-53, an amendment by Rep. Patman to prohibit CCC from financing outside the Treasury at an interest cost greater than $1\frac{1}{4}$ times its cost of financing with the Treasury on borrowings of comparable maturity. Rejected, by a division vote of 72 to 5, a motion by Rep. Multer to recommit the bill with instructions for the insertion of this amendment. Rep. Javits objected to this report on the ground that a quorum was not present, and the matter is to be considered further today. (pp. 11787-95).
4. EXPORT-IMPORT BANK. Passed without amendment S. 3589, to provide for independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the Bank on the National Advisory Council on International

Monetary and Financial Problems, and to increase the Bank's lending authority (p. 11787). This bill will now be sent to the President.

5. RECLAMATION. Rejected, 188-196, a resolution for consideration of H. R. 236, to authorize the Fryingpan-Arkansas project, Colo. (pp. 11777-87).
6. ATOMIC ENERGY. House and Senate conferees were appointed on H. R. 9757, the atomic energy bill (pp. 11771, 11872).
7. FARM PROGRAM. Rep. Madden criticized the Administration's farm program (p. 11801).
8. TRADE AGREEMENTS. Rep. Saylor criticized GATT and administration of the trade-agreements law (pp. 11801-5).

SENATE

9. WATER-FACILITIES LOANS. Concurred in the House amendments to S. 3137, to amend the Water Facilities Act so as to extend the program to the entire country, increase the authorized amount of individual loans, permit insured loans, and authorize loans for soil-conservation purposes (p. 11886). This bill will now be sent to the President.
10. HOUSING. By a 59-21 vote, agreed to the conference report on H. R. 7839, the omnibus housing bill (pp. 11824-66, 11868-70, 11873-84). This bill will now be sent to the President. The bill includes authorization of \$100,000,000 additional for the farm housing program administered by this Department, together with additional authorizations for contributions under this program.
11. FOREIGN AID. Began debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11814, 11818-24, 11886-7).
12. NOMINATION of Earl L. Butz, to be Assistant Secretary of Agriculture, was unanimously confirmed without debate (p. 11817).
13. INCENTIVE AWARDS. The Post Office and Civil Service Committee reported with amendments H. R. 7774, to establish a uniform system for granting incentive awards to officers and employees of the Government (S. Rept. 1993)(p. 11809).
14. MONOPOLIES. The Rules and Administration Committee reported with additional amendment S. Res. 14, authorizing a study of the antitrust laws and their administration, interpretation, and effect (S. Rept. 1989)(p. 11809).
15. DROUGHT RELIEF. Sen. Symington urged immediate drought relief for Mo., and Sen. Hennings inserted his statement on the matter (pp. 11812-3).
16. FARM PROGRAM. Sen. Knowland announced that S. 3052, the farm program bill, is to be taken up immediately after disposition of the foreign aid bill, but that debate on the farm bill will be interrupted by consideration of the tax bill and, on Sat., by a call of the calendar. He stated further: "Undoubtedly we shall continue debate on the farm bill in the early part of next week, even though that bill is to be made the unfinished business this week, for the opening of the debate on it." (p. 11814.)
Sen. Williams submitted an amendment which he intends to propose to the bill (p. 11809).
Sen. Butler criticized high, rigid price supports and inserted a Baltimore Sun article, "Excuses for Crops Nobody Wants" (p. 11810).

I am in thorough accord with the conference report, and I wanted the RECORD to show that, as was the case with the housing bill, the Senate conferees held out to the best of their ability.

Mr. BUSH. The Senator is correct, and I thank him for his observation.

In the main, S. 2846 relates to certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Those statutes have effectively regulated the issuance and sale of securities and have substantially eliminated the evils which gave rise to the need for their enactment. The bill is designed to preserve to the investors the protection afforded by the basic disclosure provisions of those statutes and at the same time to eliminate those defects in those statutes which have been revealed during the past two decades. To this end, S. 2846 makes limited but important changes in certain acts administered by the Securities and Exchange Commission, which will reduce unnecessary delay, expense, and complexity in the marketing of securities to the public and will result in more efficient, effective, and realistic operations of those acts.

The Banking and Currency Committee has jurisdiction over the Securities and Exchange Commission and the laws it administers. Therefore, at the request of the Senator from Indiana [Mr. CAPEHART], and as chairman of the Subcommittee on Securities, Insurance, and Banking, I met during the adjournment of the Senate last fall with representatives of the SEC and the securities industry in a series of conferences. At these conferences very careful consideration was given to various proposals which had been submitted for amendment of the statutes administered by the Commission. The actual provisions of the bill, which was introduced by our able chairman, Senator CAPEHART, may fairly be said to have grown out of the long experience of those in Government responsible for the administration of these statutes and of those in the securities industry who are subject to them. With the exception of one provision, which I shall discuss in greater detail, there was no controversy over the provisions of the bill except insofar as some of the provisions do not go as far as some industry representatives advocated. The provisions of the bill may be briefly summarized as follows:

DISSEMINATING INFORMATION DURING WAITING PERIOD

In line with the basic purpose of the Securities Act of 1933—to provide investors with adequate information concerning securities publicly offered—the bill permits written offers during the waiting period by means of a prospectus filed with the Commission prior to its use. It would remove the difficult concept, inherent in present practice, that it is permissive—obligatory under SEC rules—for an underwriter during the waiting period to disseminate information but illegal to solicit offers. The amended act, however, continues to make unlawful sales, contracts to sell, and contracts of sale before the registration statement becomes effective.

USE OF PROSPECTUSES AFTER EFFECTIVE DATE OF REGISTRATION

The Securities Act of 1933 requires that any dealer must deliver a prospectus in the initial distribution of a security—regardless of how long the distribution takes. It further requires the delivery of a prospectus in trading transactions for 1 year after commencement of an offering. This latter provision is amended to reduce the 1-year period to 40 days after the effective date or the commencement of the public offering, whichever expires last. The 1-year period for trading transactions—as distinguished from actual distribution—has long been recognized as unrealistically long.

For certain types of investment companies which continuously offer securities the Investment Company Act of 1940 is amended so as to provide for mandatory use of prospectuses over a longer period.

SIMPLIFICATION OF INFORMATION REQUIREMENTS FOR PROSPECTUSES USED FOR MORE THAN 13 MONTHS

Prospectuses which are used more than 13 months after the effective date of the registration statement now require information more recent than the information in prospectuses used prior thereto. In order to equalize the requirements the act is amended to provide that where a prospectus is used more than 9 months after the effective date, the information contained therein shall be as of a date within 16 months of such use.

EXTENSION OF CREDIT BY DEALERS IN NEW ISSUES

The prohibition against extending credit to purchasers of a new issue by dealers for 6 months after the offering period is considered unnecessarily long. The amendment reduces the 6 months' period to 30 days.

WHEN-ISSUED TRADING

This is a technical amendment for the purpose of removing an ambiguity in the present law. This is accomplished by eliminating the last sentence of section 12 (d) of the Securities Exchange Act of 1934 which is unnecessary for the accomplishment of its stated purpose. The current regulations of the Commission plus the overall rulemaking authority now provided by section 12 (d), and retained by the bill, afford adequate means for dealing with future problems as to "when-issued" trading.

THE OFFERING OF INSTITUTIONAL TYPE OF DEBT SECURITIES

The Trust Indenture Act of 1939 seemingly requires inclusion in a prospectus of a summary of certain specified indenture provisions. Since the Commission can deal with disclosure problems through its rulemaking power, and since the substantive provisions required to be included in indentures qualified under the act would not be changed, this requirement is unnecessary. The amendment should facilitate the simplification of prospectuses.

SIMPLIFIED REGISTRATION PROCEDURES FOR INVESTMENT COMPANIES

Instead of, in effect, requiring investment companies, which engage in

continuous offerings of their shares, to file new registration statements under the Securities Act each year, the amendment would permit such companies to increase the number of their registered shares by amending their registration statements.

In addition to these matters, the bill, as passed by the Senate, contained a provision which would amend section 3 (b) of the Securities Act to increase from \$300,000 to \$500,000 the maximum amount of exemption from registration which may be provided by appropriate rules of the Commission. The House of Representatives deleted this provision from the bill as passed by the Senate. While your managers recommend that the Senate agree to the amendment made by the House, I believe it important to indicate the considerations which led to the inclusion of this provision in the Senate bill.

The amendment of section 3 (b) was designed to make the capital market more readily available to small businesses and at less expense, in accordance with the recommendation of the President in his Economic Report to the Congress. It was thus conceived as a part of the securities law amendment program for the purpose, "while fully protecting the interests of investors," of "making the capital markets more accessible to businesses of moderate size"—report of the President, 83d Congress, 2d session, House Document No. 289, January 28, 1954, page 88. Incidentally, I would like to point out that the amendment increasing the exemption for the smaller securities issues was very strongly advocated by the chairman of our Committee on Banking and Currency, Senator CAPEHART, as well as by the ranking member on the Democratic side, Senator MAYBANK.

It should be emphasized that the proposed amendment of section 3 (b) would not have made the increased exemption automatically available. It would have served only to increase the permissible and maximum amount of exemption from the registration provisions of the act subject to the terms and conditions provided in relevant regulations of the Commission.

In its regulations under section 3 (b) of the act, the Securities and Exchange Commission requires an offering circular to be delivered to the prospective purchaser and may by order suspend or deny the exemption because of fraud, threatened fraud, or other violation of the regulations. Persons using the offering circular are subject to civil liability and other sanctions for fraud and other inaccuracies under sections 12 and 17 of the Securities Act of 1933. Under present regulations these offering circulars which contain financial statements are examined in the Commission's regional offices before they may be used. It is the opinion of your Committee on Banking and Currency that the filing with and the scrutiny of the Commission of the literature employed under the exemption affords substantial safeguards.

As I have already indicated, a principal reason for increasing the exemptive amount was the disproportionate cost of

registration for small issues. After careful consideration of the testimony of witnesses who appeared before your committee and urged an increase in the exemptive amount and of the considered views of the members of the Securities and Exchange Commission, your Committee on Banking and Currency was of the view that an increase of the exemptive amount, subject to appropriate safeguards, would be in the public interest.

Despite careful exploration of all of the pertinent considerations in conferences with the conferees on the part of the House of Representatives, many background conversations and attempts at compromise, the conferees on the part of the House were adamant in refusing to agree to the position of the Senate. In view of the importance of the other provisions of the bill and the long history of failure to reach a workable and non-controversial solution to the problems dealt with in the bill beginning as early as 1939, your managers determined that the public interest could best be served by an agreement on the amendment made by the House. We have concluded, however, that the objective of reducing the cost of financing businesses of small and moderate size can be achieved if the Commission should take administrative action under powers it already has under the statutes.

During the past year or more the Commission has been seriously grappling with the problems of simplification of registration procedures, and a vigorous program of revision of rules, regulations and forms, including forms for the registration of new issues of securities, has been under way at the Commission, which tends to reduce the expense and difficulty of registration. I am advised that effective July 21 the Commission announced a new form, S-9, for institutional grade debt securities which substantially reduced the quantity and detail of information previously required and which will permit a prompter administrative processing of registration statements filed under that form. The Commission has also adopted a form S-8, which similarly simplifies the registration procedures for issuers offering securities to their employees.

The Commission has ample administrative powers under the act to classify issues and issuers, and guided by the broad outlines of schedule A of the act, to specify what types of information shall be included for registration statements and prospectuses of different classifications of issuers. We urge the Commission to address itself promptly to providing forms and procedures for the registration of issues of securities of small and moderate size that would permit reduction of the expense of registration of such issues, but which would, however, require all of the information, reasonably necessary to permit the investor to make an informed investment judgment as to that type of security, be furnished consistent with the basic purposes of the act.

I believe that this solution of the problem would have the advantage of preserving for investors in such issues the important protections afforded by the

registration requirements of the act. These include the information provided by the issuers' prospectuses, including certified financial statements and the important civil liability of the issuer, the underwriters and others under section 11 of the act. The flexibility of the Commission's powers to prescribe forms of prospectuses will be significantly improved by provisions of the bill which will permit the use of summary prospectuses.

I am happy to report that Chairman WOLVERTON of the House Interstate and Foreign Commerce Committee, who was also chairman of the conference, has advised me that he shares these views as to the Commission's authority and the suggestions made that the Commission address itself to the seeking of solutions to the problems posed by the expense of registration of small issues. I wish to quote from his very fine letter to me on this subject:

In such remarks as you may make on the Senate floor at the time, you may feel perfectly free to indicate my own sympathy with such proposal that the Commission undertake all action appropriate with reducing the costs of registration, revising applicable forms, and specifying types of information to be included in the prospectus and consistent with maintaining the liabilities and remedies contained in the act for the protection of investors.

The other amendments made by the House of Representatives are an amendment, requested by the Commission, making the bill effective 60 days after its enactment in order to afford sufficient time to formulate rules and revisions thereunder, and other amendments of legislative style.

I wish to thank the chairman of our committee, the distinguished and able senior Senator from Indiana [Mr. CAPEHART], for granting me the privilege of working on and helping to guide this important legislation through the Congress.

Mr. President, I simply wish to emphasize that the only change made in the Senate version of the bill was to eliminate the increase in exemption from \$500,000, and to leave it at \$300,000, where it has been for some years past. That is the exemption in the amount of securities issued, for which registration is required.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

CONSERVATION OF WATER RESOURCES

Mr. KNOWLAND. Mr. President, I understand that the Senator from Vermont desires to have considered the amendments of the House of Representatives to Senate Bill 3137, relating to the conservation of water resources. The consideration of the amendments has been discussed with the minority members of the Committee on Agriculture and Forestry, and also with the acting minority leader. I believe that action on the amendments will not require more than a few minutes.

Following the completion of such action, I plan to move that the Senate stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, which were, on page 2, line 14, after "estate", insert "corporation engaged in farming"; on page 2, line 17, after "any", insert "other"; on page 2, after line 21, insert:

SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

And on page 2, line 22, strike out "SEC. 9." and insert "SEC. 10."

Mr. AIKEN. Mr. President, the Senate passed the bill unanimously sometime in May. The bill provides for the extension of the Water Resources Conservation Act to all States of the Union, making loans available in larger amounts than had previously been the case for the securing of water for household or irrigation purposes.

The House proposes to amend the bill by making loans available for the financing of drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pastures, sustained yield afforestation or reforestation, or other erosion preventatives. The House has added those items to the water facilities contained previously in the bill.

The Department of Agriculture approves the House amendment. I have spoken with most of the members of the Senate Committee on Agriculture and Forestry, and they have approved it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. Is it very clear that the amendments do not restrict the scope of the loans which may be made?

Mr. AIKEN. The Senator is correct. They do not restrict the loans to the purpose of digging wells or waterholes.

Mr. FULBRIGHT. I completely concur in the amendments, and I am glad to support them.

Mr. AIKEN. I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 30, 1954
For actions of July 29, 1954
83rd-2nd, No. 144

CONTENTS

Adjournment.....4	Health insurance.....27	Prices, support.....4
Animal disease.....21	Housing, farm.....3,28	Purchasing.....32
Appropriations.....10,33	Lands,.....24	Research.....20
CCC.....1,14,26	public.....12	Retirement.....15
Coffee.....6	reclamation.....18	Roads.....23
Disaster relief.....8	transfer.....22	Surplus commodities.....34
Farm program.....8,25	Librarian.....17	Surplus property.....24
Flood control.....11,24	Loans, farm.....3,7,13,28	Taxation.....14
Foreign aid.....9,16,33	Minerals.....2,12,31	Textiles.....5
Forestry.....19	Nomination.....17	Water facilities.....7
Government competition..29	Personnel.....15,27	Wheat quotas.....30
Grain storage.....14	Prices.....6	

HIGHLIGHTS: House passed bill to increase CCC borrowing power. House agreed to corrections in enrollment of housing bill. House voted against sine die adjournment July 31. Senate committee reported flood control bill. Senate agreed to conference report on tax revision bill. Senate debated mutual security authorization bill. Senate committee ordered reported supplemental appropriation bill. Rep. Multer criticized USDA's request for further increase in CCC borrowing authority. Senate recalled water-facilities loans bill and agreed to bills correcting clerical errors.

HOUSE

1. COMMODITY CREDIT CORPORATION. Passed, 317-57, without amendment H. R. 9756, increasing the borrowing power of CCC from \$8.5 billion to \$10 billion (pp. 11965-6).
2. MINERALS. Agreed to the conference report on S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of public lands (pp. 11967, A5553-5).
3. HOUSING LOANS. Agreed to a Senate concurrent resolution correcting errors in the enrollment of H. R. 7839, the housing bill (pp. 11966-7, 12010). This bill will now be sent to the President.
4. ADJOURNMENT. By a 183-193 vote, rejected H. Con. Res. 265, providing for sine die adjournment of Congress on July 31 (p. 11966).
5. TEXTILES. Rep. Deane inserted an analysis of the textile industry which he compiled from information obtained from the Legislative Reference Service and other sources (pp. 11971-5).
6. COFFEE PRICES. Received from the Federal Trade Commission a report, "Investigation of Coffee Prices" (p. 12029).

SENATE

7. WATER-FACILITIES LOANS. Recalled S. 3137, to amend the Water Facilities Act; reconsidered the vote by which the Senate agreed to House amendments to the bill; and concurred in the House amendments with further amendments for the purpose of correcting clerical errors in the bill (pp. 11898, 11958, 12000).
8. FARM PROGRAM. The amendment by Sen. Williams to S. 3052 (see Digest 143) is identical to his bill, S. 3815, which would provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas.
 Sen. Goldwater (for himself and Sen. Hayden) submitted an amendment which he intends to propose to this bill. Sen. Aiken (for himself and Sens. Hickenlooper, Schoeppel, Holland, and Anderson) submitted an amendment in the nature of a substitute which they intend to propose to the bill. (p. 11896.)
9. FOREIGN AID. Continued debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11900-29, 11956-63).
10. SUPPLEMENTAL APPROPRIATION BILL, 1955. The Appropriations Committee ordered this bill reported with amendments (p. D913).
11. FLOOD CONTROL. The Public Works Committee reported with amendments H. R. 9859, the omnibus flood control bill (S. Rept. 2007)(p. 11892).
12. MINERALS; PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment S. 3071, to amend the act authorizing agricultural entries under the non-mineral-land laws of certain mineral lands (S. Rept. 2009)(p. 11893).
13. FARM LOANS. Passed as reported H. R. 8152, to extend to June 30, 1955, the authority of the Veterans' Administration for direct home and farmhouse loans under the Servicemen's Readjustment Act, and to make additional funds available therefor (pp. 11926-7).
14. TAXATION. Agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11929-54). This bill will now be sent to the President. Sens. Morse and Humphrey discussed an amendment which had been proposed by S. Humphrey regarding grain storage facilities and the contemplated purchase by CCC of additional facilities (pp. 11942-4).
15. PERSONNEL. Sen. Williams inserted and discussed an amendment which he intends to propose (on behalf of himself and Sen. Schoeppel) to H. R. 7774, the incentive awards bill. The amendment would prevent persons who are convicted of certain crimes from participating under the Civil Service Retirement Act, but would provide for refunds to such persons of the amounts which they had contributed to the retirement fund. (p. 11897.)
16. FOREIGN AID. Sen. Wiley commended the technical assistance program and inserted newspaper editorials on this matter (p. 11899).
17. NOMINATION of Lawrence Quincy Mumford, to be Librarian of Congress, was confirmed (p. 11964).

BILLS APPROVED BY THE PRESIDENT

18. RECLAMATION. H. R. 6786, authorizing Interior to purchase improvements or pay damages for removal of improvements located on U. S. public lands in the

jection, the amendment and statement will be printed in the RECORD.

The amendment submitted by Mr. WILLIAMS (for himself and Mr. SCHOEPEL) is as follows:

At the appropriate place insert the following:

"That in the case of any person heretofore or hereafter convicted of any offense defined in chapter 11 (relating to bribery and graft), chapter 37 (relating to espionage and censorship), chapter 115 (relating to treason, sedition, and subversive activities), section 281, 282, or 283 (relating to claims and services in matters affecting the Government), or section 431 or 432 (relating to interest by Members of Congress in Government contracts), of title 18 of the United States Code, because of any act done by him while serving as an officer or employee of the Government, or convicted of a violation of section 284 of such title, or convicted of any other offense involving the improper use of his authority, influence, power, or privileges as such an officer or employee or otherwise related to his service as such an officer or employee, and in the case of any person heretofore or hereafter convicted of perjury committed in falsely denying the commission of an act constituting any such offense or an act which would have violated any such provision if it had been committed subsequent to the date of enactment of such provision, no annuity or retired pay shall be paid for any period following the date of such conviction or the date of enactment of this act, whichever is later, to such person or, on the basis of the service of such person, to any survivor of such person.

"SEC. 2. In the case of any such person so convicted, any amounts contributed by him toward the annuity the benefits of which are denied under this act, less any sums previously refunded or paid as annuity benefits, shall be returned to such person with interest at such rates as may be provided in the case of refunds under the law, regulation, or agreement under which the annuity is payable, or if no such rates are so provided at the rate of 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year. In the event a person entitled to a refund under this section dies prior to the making of such refund, the refund shall be made to such person or persons as may be provided in the case of refunds under the law, regulation, or agreement under which the annuity the benefits of which are denied under this act is payable or, if no such provision is made, in the order of preference prescribed in section 12 (e) of the Civil Service Retirement Act of 1930 as amended.

"SEC. 3. As used in this act—

"(a) The term 'officer or employee of the Government' includes a civilian officer or employee under the legislative, executive, or judicial branch of the Government, a civilian officer or employee of the Government of the District of Columbia, and an officer or enlisted member of the Armed Forces of the United States.

"(b) The term 'annuity' means any retirement benefit payable by any department or agency of the United States or the District of Columbia upon the basis of service as a civilian officer or employee of the Government, except that such term does not include salary or compensation which may not be diminished under section 1 of article III of the Constitution or, in the case of a benefit payable under the Social Security Act as amended, any portion of such benefit not based upon service as an officer or employee of the Government.

"(c) The term 'retired pay' means retired pay or retirement pay payable under any law of the United States to members or former members of the Armed Forces of the United

States retired or determined to be entitled to retirement pay.

"(d) The term 'offense' means any violation of law (including a violation cognizable under the Articles of War, the Articles for the Government of the Navy, or the Uniform Code of Military Justice) punishable at the time of commission of such violation by imprisonment for more than 1 year, and any violation of a provision of law referred to in the first section of this act.

"SEC. 4. This act shall not prevent the payment of retired pay granted to any person because of a service-connected disability incurred as a member of the Armed Forces in combat with an enemy of the United States or resulting from an explosion of an instrument of war.

"SEC. 5. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

The statement presented by Mr. WILLIAMS is as follows:

STATEMENT BY MR. WILLIAMS

Under the existing law, there is no provision which will prevent employees of the Federal Government who have been convicted of crimes involving disloyalty to the United States or corruption and dishonesty in the execution of their authority from being paid full retirement pensions upon reaching the statutory retirement age.

For example, one former State Department employee who was convicted of perjury in denying that he had given highly classified Government secrets to an agent of a foreign power, will, under the present laws, be eligible to receive regular retirement benefits upon reaching the age of 62.

There are two cases where former Members of Congress have been convicted by the courts of corrupt practices while in public office. In one of these cases the individual is now receiving a pension from the United States Government, while the other will be eligible for his pension upon reaching the age of 62.

During the past 2 years many high public officials, a large percentage of whom were employed in the Treasury Department, likewise have been convicted in the courts of such crimes as bribery, embezzlement, etc. In each of these cases, unless our retirement laws are amended, these convicted officials will, upon reaching the statutory retirement age, be eligible for all the retirement benefits which are now extended to the honest public officials. This is wrong. No public official who has been convicted by the courts of having unlawfully used his position to enrich his own personal fortune or who willfully betrays his country to a foreign power should be pensioned at the expense of the American taxpayers.

Our retirement laws were established to provide some degree of security for faithful Government employees who, after spending many years in Government service, reach the age of retirement.

This amendment will—

1. Prohibit the payment of retirement annuities to any Member of Congress, public official, or member of the armed services who has been convicted of accepting bribes or other offenses involving the improper use of authority or power derived from his public office or to persons convicted of certain crimes involving disloyalty to the United States.

2. Provide for the refund to these convicted employees of their contributions to the retirement fund.

The refund of the retirement payments in such cases where the benefits have been rescinded is only fair, since to confiscate

those funds would in effect be an additional fine to that imposed by the courts.

The amendment would apply to all Federal employees, including Members of Congress and members of the Armed Forces.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 9406. An act to provide for the conveyance of certain real property to the town of Beaufort, N. C.; to the Committee on Government Operations.

H. R. 10051. An act making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 259) to provide for the Joint Committee on Tin, was referred jointly to the Committees on Banking and Currency, and Armed Services, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, four from the majority and three from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, four from the majority and three from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpoena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

Sec. 5. The committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the committee, which shall not exceed \$50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government in connection with its study and investigation.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. CARLSON:

Remarks by Dr. Gabriel Hauge, Administrative Assistant to the President for Economic Affairs, delivered on July 14, 1954.

By Mr. BUSH:

Three articles and editorial on the atomic-energy bill published in recent editions of the Washington Evening Star.

By Mr. WILEY:

Editorial entitled "How Congress Can Help the FBI," dealing with antisubversive legislation, published in a recent issue of the Washington Star.

CONSERVATION OF WATER RESOURCES—RECONSIDERATION OF VOTE

Mr. KNOWLAND. Mr. President, typographical errors in the amendments of the House of Representatives to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, and which were concurred in by the Senate, make it necessary to reconsider the vote by which the amendments were agreed to. Last night at the request of the Senator from Vermont [Mr. AIKEN], the chairman of the Agriculture Committee, the amendments of the House were concurred in. However, in the enrollment of the bill it was found that a comma had been left out in one line and the word "improvement" rather than "improved" in another House amendment. In order to clear the RECORD, I enter a motion to reconsider the vote by which the House amendments were concurred in.

Mr. FULBRIGHT. Reserving the right to object, the majority leader spoke to me about this bill and explained the

nature of the changes, and I have no objection.

The PRESIDENT pro tempore. The motion is entered.

Mr. KNOWLAND. Mr. President, I now move that the House be requested to return the message of the Senate announcing its action on the House amendments.

The PRESIDENT pro tempore. The question is on the motion of the Senator from California.

The motion was agreed to.

NEW STANDARDS FOR EXERCISE OF JURISDICTION BY NATIONAL LABOR RELATIONS BOARD

Mr. GOLDWATER. Mr. President, the NLRB has been in the process of revising its jurisdictional standards, and they have made two important announcements regarding this—one on July 1 and a subsequent announcement on July 15.

As a result of the Board's studies, they have decided that there are hundreds of businesses within the boundaries of each State that should not come under the jurisdiction of the Board but should come under the jurisdiction of the State. This is a proper and long overdue recognition of the rights of the States in the matters of labor-management relations. Congress never intended either the Wagner Act or the Taft-Hartley Act to preempt State laws in this field. In spite of this, however, the Federal Government has consistently injected itself into the labor-management relations of the States.

The Supreme Court has clearly asked Congress to express itself in this regard, and it was with this intent that I introduced an amendment to the Taft-Hartley Act during this session of Congress that would clearly recognize the inherent rights of the States in this area. Unfortunately this amendment suffered defeat when the President's labor program was defeated by the Democrats in the Senate. This issue is not dead, however, as is indicated by the recognition of the rights of the States by the NLRB and the rising tide of concern over the injection of the Federal Government into the everyday life of the communities and States of America. This trend must be stopped if our Republic is to continue its free constitutional way.

Mr. President, I ask unanimous consent that an announcement by the National Labor Relations Board, dated July 15, 1954, be printed at this point in my remarks.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

NLRB ANNOUNCES NEW STANDARDS FOR EXERCISE OF JURISDICTION

The National Labor Relations Board today established new standards for determining whether the Board will take jurisdiction over cases involving retail stores, utility companies, transit systems, radio and television stations, newspapers, certain types of interstate companies, industrial service companies, and companies engaged in national defense work.

The Board indicated that these changes will substantially complete the revision of its jurisdictional standards.

The Board also announced that it will no longer take cases involving public restaurants.

The Board has discretion to decide in which cases, of those affecting interstate commerce, it will exercise jurisdiction.

The standards announced today are in addition to the new standards announced by the Board June 30, 1954. Those announced today also modify earlier standards adopted by the Board in October 1950. The changes announced today follow:

A. For retail stores, the Board established two standards—one to govern in cases involving stores operating entirely within one State and the other to govern in cases involving chainstores operating in more than one State. The new standards are:

(1) A single independent retail store or a chain of stores operating entirely within one State will not come under the Board's jurisdiction unless the store involved in the case has—

(a) purchases amounting to at least \$1 million a year coming to it directly from outside the State, or

(b) purchases of \$2 million a year coming to it indirectly from outside the State, or

(c) if the store ships \$100,000 worth of merchandise into other States.

(2) A store which is part of a chain operating in more than one State will come under Board jurisdiction if—

(a) the store meets either of the standards listed in (1) for intrastate stores, or

(b) the gross sales of the chain amount to \$10 million or more per year.

(The former standards for stores were \$500,000 a year direct purchases or \$1 million indirect purchases, or \$25,000 a year sales made outside the State.)

B. The Board announced that it would assert jurisdiction over radio and television stations only if their gross revenue amounts to at least \$200,000 a year, and newspapers only if their gross revenue amounts to at least \$500,000 a year.

(The former standards placed no limit on jurisdiction of broadcasting stations or newspapers if their operations affected interstate commerce.)

C. As to utility companies, such as power, gas, and water companies, and intrastate public transit systems, the Board announced that it would assert jurisdiction over such companies only if the company does a gross business of \$3 million a year or more.

Interstate transit systems will come under Board jurisdiction if their gross revenue from interstate operations amounts to at least \$100,000 a year. (The Board does not have jurisdiction of railroads and airlines.)

(The Board formerly took jurisdiction of all utility and transit systems whose operations affected interstate commerce.)

D. Companies engaged in business related to the national defense will come under Board jurisdiction when their business meets three tests:

(a) The goods or services supplied relate directly to the national defense.

(b) Such goods or services are furnished pursuant to a Government contract.

(c) Value of these goods or services amounts to at least \$100,000 a year.

To come within the Board's jurisdiction, such companies must meet all three tests, the Board announced.

(The Board formerly took jurisdiction of any company doing any work "affecting" national defense.)

E. Jurisdiction over multi-State enterprises, other than retail and service establishments, will be governed by the following tests:

(1) To qualify, the plant involved must meet the outflow tests (\$50,000 a year in direct outflow or \$100,000 a year in goods furnished to an interstate company) or the inflow tests (\$500,000 a year in purchases coming to it directly from outside the State

lease. This is the same amendment which has been added to other bills. It merely provides that if Korea is going to buy the ships with our funds under the appropriation to be given her, instead of taking the ships out of our mothball fleet and putting them in class, if someone has a MAV-1 type ship—of which there are not too many, I may say to the distinguished Senator from Wisconsin—adaptable to this kind of trade, private owners ought to have a right to sell them at the same price at which the Government would sell them.

Mr. WILEY. They should have a right to sell them, but they should not be given preferential treatment. In other words, if we give the money to Korea, and there is a vessel involved, we could just as well furnish the vessel.

Mr. MAGNUSON. But the point I am making to the Senator from Wisconsin is if we take them out of our mothball fleet, we have to put them in class, and putting a ship in class involves, in the case of a MAV-1—I have not the exact figures, but I could get them—perhaps close to \$50,000 a ship, whereas those that might be available through a private owner who also bought them under the Ships' Sales Act at the same price would have them in class and might not have any use for them.

It is the same amendment to which the Senator from Wisconsin in the Foreign Relations Committee agreed on the Brazilian ships; the same amendment to which we agreed on the Philippine ships.

Mr. WILEY. This is really my first acquaintance with it.

Mr. MAGNUSON. I do not want to delay the bill. Suppose I do not bring the amendment up now, but that we have further discussion of the matter; will that be all right?

Mr. WILEY. I do not think there is any need for the amendment. Senators have heard the facts about it, and I am not going to spend a lot of time on it.

The Senator has made the argument that if we were to sell some of the mothball ships, the Government would be put to expense to recondition them. As I say, the Foreign Operations Administration has not said anything more than what I have told the distinguished Senator. In other words, they are not entirely in opposition to the proposal, but they do not seem to be entirely in favor of it. It seems to me that we not only represent the private shipowners, but we represent the Government and if it can be of advantage to the Government to dispose of its surplus stock of ships, that ought to be done; we should represent the Government.

Mr. MAGNUSON. I will say to the Senator from Wisconsin that we are not trying to dispose of our surplus stock of ships. Although we have hundreds of ships in mothballs we closed up the Ships' Sales Act. This is an exception to the rule. Otherwise, the amendment would not be necessary. We do not want to dispose of our mothball fleet. This is not any bargain for the Government. It is only going to get about 30 percent of what the ships cost.

We closed up the Ships' Sales Act about 16 months ago, and it is worth a

Senator's life to try to get a ship out of mothballs. We had to pass a bill so that Brazil could buy, we had to pass a bill so that the Philippines could buy; and we are now proposing that South Korea may buy ships.

Mr. WILEY. I know that ordinarily the distinguished Senator is said to be on the side of the Government instead of private interests, and I am accused of being on the other side.

Mr. MAGNUSON. Oh, no.

Mr. WILEY. It occurs to me that if the facts are as represented, I would like to check what the expense would be to the Government; and ascertain whether the Government is going to let any of the mothball ships rot. I have seen them in the rivers out the Senator's way, stacked like sticks of cordwood. If they are being preserved there, it would seem to me if there is value in the ships, and the Government can get value, that we should think in terms of the Government's recouping some of its vast investment.

Now the Senator from Oregon [Mr. MORSE] and others are experts; I am not.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the Senator from Oregon.

Mr. MORSE. The amendment would go to conference, would it not if it were adopted?

Mr. WILEY. Yes.

Mr. MORSE. If we adopt this amendment tonight, it does not give it finality, and if the Senator finds when he gets into conference, that the representations made by the Senator from Washington are not borne out by all the facts, it could be ironed out in conference.

Mr. WILEY. I should like to have the Senator's judgment on the basic question, because we cannot be fighting over ships.

Mr. MORSE. I will tell the Senator what my basic judgment is. It would be a great mistake to take our ships out of mothballs and sell them. I think we ought to leave our mothball fleet the way it is; let it remain in mothballs, and close the Ships Sales Act, because we ought to keep the ships for future emergencies.

Mr. WILEY. I will be glad to take the amendment to conference.

Mr. MAGNUSON. I appreciate the Senator's action.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. MAGNUSON. I ask unanimous consent to have placed in the RECORD, without my burdening the Senate by reading it, an explanation of the purposes of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

H. R. 9678 authorizes the President to transfer to the Republic of Korea, by sale or charter, not more than 8 C1-MAV-1 vessels, at prices determined under section 3 of the Merchant Ship Sales Act of 1946. Any agency of the United States Government owning or

operating such vessels is authorized under the bill to make such vessels available for the purpose of the transfer. Funds are made available by the bill for the aforesaid purpose.

It is proposed that H. R. 9678 be amended to incorporate therein a provision corresponding to that embodied in Public Law 496, approved July 15, 1954, relating to the sale of C1-MAV-1 vessels to Brazil. That act authorizes the Secretary of Commerce to transfer by sale to the Government of Brazil 12 C1-MAV-1 vessels, likewise at prices determined under section 3 of the Merchant Ship Sales Act, 1946. The act requires, however, that before Government-owned vessels are transferred under its authority there shall be a determination that there are no presently owned vessels of the same type available for sale by American citizens at prices equal to or less than those provided for Government-owned vessels. The legislative history of H. R. 9678 shows that the purpose of such requirement is that priority shall be given to transfer of vessels owned by private shipowners.

The considerations that underlie the inclusion of the above requirement in Public Law 496 apply with equal force with respect to inclusion of a like requirement in H. R. 9678. Public Law 496 recognized that American citizens who have staked their capital in the C1-MAV-1 vessels should have first call upon the privilege of selling them to the Government of Brazil and should not be excluded from a possible market by competition in the form of United States Government-owned vessels. Like considerations of fair and equitable treatment of American citizen shipowners require that, in respect of sales of such vessels to the Republic of Korea, the shipowners should not be excluded from a possible market by competition in the form of Government-owned vessels. Since the funds for the purchase of the vessels by the Republic of Korea are being made available by the United States Government, the granting of the priority to the privately owned vessels can administratively best be effectuated by providing that, if there are presently owned vessels of the same type available for sale by American citizens at prices equal to or less than those provided for Government-owned vessels, the privately owned vessels shall be acquired by the United States Government for the purpose of sale to the Republic of Korea before any Government-owned vessels are so sold.

The policy that priority be given to the transfer of vessels owned by private shipowners is as applicable in the case of this transfer to Korea as in the case of the transfer to Brazil. In both instances the same type of ship is being transferred and at the same valuation. The fact that in the one instance the transfer is to be effected through means of long-term credit arrangements with Brazil while in the other through use of funds that are part of a legislative grant should not in any manner be used to vitiate the policy of our Government to permit transfers of privately owned ships prior to transfer by the Government of ships in the reserve fleet.

Mr. KENNEDY. Mr. President, may I ask the Senator from Wisconsin 3 or 4 questions about the bill?

Mr. WILEY. I shall be glad to have the Senator ask them. I do not know whether I shall be able to answer them.

Mr. KENNEDY. I am sure the Senator will be able to answer them. I began to ask them of the Senator from New Jersey [Mr. SMITH]. It is my understanding that the material now in the north Vietnamese territory is material which we have contributed to the French Union forces. Is it my understanding

that when the French Union forces withdraw, the title to that materiel will be in the United States Government?

Mr. WILEY. My rather indistinct recollection is that that question was asked. There is no question about the materiel that is in the ships which have not arrived in Indochina. Those ships have been ordered back.

Mr. KENNEDY. I am talking about the materiel which has been contributed to the French Union forces, and which is now in the northern area of Vietnam.

Mr. WILEY. My understanding about that materiel is that we are going to recoup a considerable part of it. Of course, we know that conditions around Haiphong are not very good. We will probably get out all the materiel we can. However, I cannot state that we will get back all of it that is there.

Mr. KENNEDY. Of the materiel—

Mr. WILEY. We are attempting to get it out.

Mr. KENNEDY. Of the materiel that we get back, will title to that materiel be in the French Union forces or in the United States Government?

Mr. WILEY. That title will be in us.

Mr. SMITH of New Jersey. Earlier I put into the RECORD, after reading a portion of it, a statement that Mr. Stassen made on this subject in reply to inquiries from us. That statement was that under the terms of the peace treaty the materiel is to be evacuated through Haiphong, within a period of some 30 days.

Mr. KENNEDY. The intention is that with respect to all the materiel that is evacuated possession will be taken by us, not by the French Union forces. Is that correct?

Mr. SMITH of New Jersey. That is correct.

Mr. KENNEDY. Is that the understanding of the Senator from Wisconsin?

Mr. WILEY. Yes. It will be 30 days or so until we can take it all out.

Mr. KENNEDY. With respect to the materiel that is south of the truce line, in Cochinchina, which is materiel of great value and which has been sent to the French since 1950, as I remember, in the area around Saigon, particularly, where we have given several billion dollars worth of assistance to the French, what is to happen to that materiel? There is talk about the French Union forces withdrawing from that area. If the French forces were to withdraw, would that materiel belong to the French Union forces, to the United States, or to the Vietnamese?

Mr. WILEY. I am not able to answer that question.

Mr. KENNEDY. I will say to the Senator that the materiel is worth several billion dollars. Before we appropriate \$712 million, a part of which is to be spent for Vietnam, in addition to having on hand a large unexpended balance, we should know to whom that materiel will belong.

Mr. WILEY. I can only give the Senator my understanding. I read into the RECORD a statement with respect to the appropriation, setting forth clearly that that appropriation is not for Vietnam but is for the other states that we expect

to revitalize, and so forth. However, with the more or less unsettled condition, we believe the Secretary is correct in saying he needs that appropriation to handle the situation we are facing in that part of the world.

As to the materiel the French have accumulated from us in the southern area, which the Senator has mentioned, we must reason it this way: If we can make a deal to get it out, we will make a deal to get it out and have it returned. But, again, conditions are chaotic. There is even a threatened Communist taking over of that territory. The Communists have forces in that territory that are still in shape for taking military action there. The question of what the French will do is unsettled. They may continue fighting there.

Mr. KENNEDY. The only point I am making is that I think the materiel should either be—

Mr. WILEY. I was away for a week, while the Senator from New Jersey [Mr. SMITH] very kindly conducted the hearings, but I am informed by the staff that the whole program is receiving the attention of the administration, which is seeking to accomplish what the Senator from Massachusetts and I want to have accomplished.

Mr. KENNEDY. All I wanted to get was a statement of the Senator's understanding. As I understand, the materiel in the south which will be evacuated when the French Union forces are evacuated will be regained by the United States, and that the materiel that is left in the southern area will be controlled by the French Union forces or will be controlled by the Vietnamese National Army.

Mr. WILEY. Again I must say that I do not know what the terms of the truce are. I will submit any questions the distinguished Senator is asking and will try to get definitive answers. Again I say that conditions over there are fluid and more or less unstable. My understanding is that the intent of our bilateral military assistance agreement provides that the equipment is to be returned to the United States if it cannot be used for the purposes for which it was furnished.

Mr. KENNEDY. Obviously, the purpose for which it was furnished was for the implementation of the Navarre plan, and obviously that purpose does not exist any more. By the time the appropriation bill comes to the Senate I would appreciate it if the Senator from Wisconsin would get the answers to those questions. There is a tremendous money potential in the materiel available in that area. The materiel is worth several billion dollars.

An additional \$12 million is called for, and there is available \$700 million in unexpended balances. There will be a vast sum of money and materiel with which to deal.

The last question I should like to ask is this. In the past most of this substantial sum of money, namely, the money available for the war in the Associated States, has been used to balance the French budget, and the French in turn have obtained the equipment, and it has

gone through the French Government. Therefore, a great deal of the equipment is French equipment, although we paid for it. I should like to ask the Senator how the additional money is to be expended. Is it going to be expended through France, is it going to go to the native government, or exactly how is it going to be spent?

Mr. WILEY. Under the Ferguson amendment, which has been adopted, the money will be expended directly. Of course, other provisions in the bill require that none of the appropriations for this year shall be used unless France joins the EDC.

Mr. KENNEDY. Perhaps we can get more specific assurances when the appropriation bill comes before the Senate.

Mr. WILEY. I shall try to get the answers for the Senator.

CONSERVATION OF WATER RESOURCES IN ARID AND SEMIARID AREAS

Mr. KNOWLAND. Mr. President, pursuant to the motion I previously entered, on which I consulted with the acting minority leader, I ask unanimous consent to reconsider the vote by which the Senate agreed to House amendments to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. WATKINS. Mr. President, I should like an explanation of what this means.

Mr. KNOWLAND. This is the matter that the Senator from Vermont [Mr. Aiken] took up the other day. The Senate concurred in the House amendments. When the bill reached enrollment, it was found that a comma that should have been included was omitted, and that the word "improvement" had been used, instead of the word "improved." Those were the only changes. We had to ask for the papers to be returned from the House, so we can agree to the House amendments in their proper form.

Mr. WATKINS. I thank the Senator.

The PRESIDING OFFICER. Without objection, the vote by which the Senate agreed to the amendments of the House will be reconsidered.

Mr. KNOWLAND. Mr. President, I now move that the Senate concur in the House amendments with the following amendments:

Amendment No. 1: After the word "farming", insert a comma.

Amendment No. 3: Strike out the word "improvement" and insert the word "improved."

The motion was agreed to.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the

the number of housing units as provided in the bill presented to us by the Department of Defense as being necessary for the services, would have had to be reduced because there is an overall limitation of \$175 million in the bill. If we were to adopt the amendment offered by the gentleman from Kansas, then the housing units will have to suffer at other bases and installations where the testimony shows they are needed more today than they are at the base in Kansas.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. KILDAY. What the gentleman says about many members of the committee is correct. As a matter of fact, when the bill came over from the Department it contained units in my own district, all of which were eliminated by the subcommittee. That is true of many Members of the House, and it is not possible to start putting each of those back or we will be back where we were before the subcommittee did its job in reducing the units to be built.

Mr. CUNNINGHAM. And we would not have any bill at all.

Mr. KILDAY. That is right.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment. I think this is a comparatively mild one. It is for only 25 units.

I know the committee has made every effort it could to keep this legislation in line with the requests. I know, too, this committee is more familiar with the entire problem than I am.

The reason I feel these units are necessary is because of the statement of the commanding officer of the base. Incidentally this is one of the large bases in the country and is just barely outside the district I represent.

The thing that gives importance to this proposal is because this is a strategic base. The commanding officer, who should know, says the units are required for the reason a few key officers must reside immediately in the area for the reason they may be called on a few moments notice.

The gentleman from California criticized the Member for quoting the commanding officer. The Member called the commandant and asked for the facts. The officer gave the facts as he knew them. I see nothing wrong with that.

I think credence should be given the request of the Real Estate Board of Topeka, who said in substance they had examined the situation and, in the opinion of the board, the request should be approved. If the request were many units, the situation would be different. I really think, for a big strategic airbase, the request is modest. I want it understood I am not in favor of going out and overloading airbases with Government-built homes.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to a distinguished member of this committee and a former most distinguished member of the Armed Forces. I know he wants to be fair. He is really a great man.

Mr. DEVEREUX. I hope to be fair about it.

Mr. REES of Kansas. My only interest in this matter is that I believe this amendment to be right.

Mr. DEVEREUX. First of all, I want to point out that there are no projects in the district of the gentleman from Maryland.

Mr. REES of Kansas. That is right. I appreciate that.

Mr. DEVEREUX. There was an inference that perhaps that influenced my judgment.

Mr. REES of Kansas. No; I am sure of that. I apologize if there seemed to be such inference.

Mr. DEVEREUX. If the gentleman will read the bill thoroughly, he will find that in many cases we have allowed as low as five units.

Mr. REES of Kansas. And I think the one ahead of this one is for 433 units.

Mr. DEVEREUX. That is correct. But, for instance, at the fighter bases we have more. We have the fighter interceptors and so on.

Mr. REES of Kansas. This is a strategic base, is it not?

Mr. DEVEREUX. I believe that is correct.

Mr. REES of Kansas. And it is a bigger base, I believe, than the one named just ahead of it on the list, where more than 400 units are authorized. I know the judgment of the gentleman from Maryland is good. I would not dispute it, but it seems on the face of things, the amendment is reasonable.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. MILLER].

The question was taken; and on a division (demanded by Mr. MILLER of Kansas), there were—ayes 45, noes 62.

So the amendment was rejected.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 15, line 11, after the period, insert "Provided, That not less than 60 percent of all units provided herein shall be constructed for family units for enlisted family quarters."

Mr. O'HARA of Minnesota. Mr. Chairman, I offer this amendment in complete good faith and in light of what I have observed myself at some of these bases and particularly in light of the debate which has taken place here on this bill and the fact that there are no specific provisions in this legislation for enlisted men's quarters.

There has been no question that there is no specification in this bill as to how many units for enlisted men will be built or whether there will be one. Personally, I am not at all against building these officer units; in many cases they are highly necessary. But on the other hand I do get considerably irked at the attitude of the services as to the needs of the

family enlisted man's requirements and what they should have.

We heard the distinguished gentleman from South Carolina and others complain about the lack of enlistments because the enlisted men were short of quarters. I do not care what the so-called justifications are that come here and are given before the committee. I know what is going to happen if this bill passes as it is and if appropriations are handled in the same general language: The great bulk of this is going for officers' quarters. I recall rather distinctly when we had a pay bill here one time involving the question of consideration for enlisted personnel and particularly married enlisted personnel and their dependents, and that the enlisted men got the business. I think that was unfortunate.

No wonder these men leave the service; I do not blame them a bit. I just want to be sure that when we pass this legislation we write into it language which will guarantee that the enlisted personnel shall receive not less than 60 percent and I hope it is as much as 75 percent. I think we better have it written into the bill and not just take somebody else's word for it that may not mean anything when it comes to the actual building under any administration of this law. That is why I urge the adoption of this amendment to meet the present situation. Then we shall know that the enlisted personnel will get consideration and there will be no question about it.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. RIVERS. What is wrong with the gentleman's amendment?

Mr. O'HARA of Minnesota. Not a thing.

Mr. RIVERS. I do not think so either.

Mr. O'HARA of Minnesota. I hope the gentleman agrees with me.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. JOHNSON of California. I do not think there is anything wrong with the gentleman's amendment either. Seventy percent appears in the justifications. We will be glad to accept the amendment.

Mr. O'HARA of Minnesota. There is nothing spelled out in the bill.

Mr. JOHNSON of California. I will accept the gentleman's amendment.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. CUNNINGHAM. I just want to say that I approve the gentleman's amendment. It makes certain that the bill does what the committee intends. I congratulate him.

Mr. O'HARA of Minnesota. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MORANO, Chairman of the Commit-

tee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9924) to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes, pursuant to House Resolution 662, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SHEPPARD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SHEPPARD. I am in its present form, Mr. Speaker.

The SPEAKER. Is there anyone who is absolutely opposed to the bill? If not, the Clerk will report the motion offered by the gentleman from California.

The Clerk read as follows:

Mr. SHEPPARD moves to recommit the bill, H. R. 9924, to the Committee on Armed Services for further study.

Mr. JOHNSON of California. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from California [Mr. SHEPPARD].

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had—

Ordered, That the House of Representatives be requested to return to the Senate the message announcing the agreement of the Senate to the amendments of the House to the bill S. 3137, entitled "An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes."

The message also announced that the Senate had passed, with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8152. An act to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

The message also announced that the Senate agrees to the report of the com-

mittee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) entitled "An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940."

CONSERVATION OF WATER RESOURCES IN THE ARID AND SEMI-ARID AREAS OF THE UNITED STATES

The SPEAKER laid before the House the following communication which was read:

Ordered, That the House of Representatives be requested to return to the Senate the message announcing the agreement of the Senate to the amendments of the House to the bill, S. 3137, entitled "An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes."

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

MODERNIZATION AND IMPROVEMENT OF CERTAIN MERCHANT-TYPE VESSELS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLVERTON. Mr. Speaker, reserving the right to object, and of course I will not object to the present bill, but, in order that I might address an inquiry to the majority leader. I wish to ask the majority leader if and when H. R. 7840, an amendment to the Railroad Retirement Act, is to be called before the House for consideration? I have had innumerable inquiries made by Members from both sides of the aisle who are greatly interested in this piece of legislation. It laid awaiting action before the Committee on Rules for approximately 1 month. I was unable to penetrate the iron curtain that surrounds the proceedings of the Rules Committee to ascertain why it was not acted upon.

I was pleased that a week ago consideration was given to this measure. Favorable action was taken within a few minutes of the application being heard. From that time until the present the bill has slumbered—I would not say peacefully, but it has slumbered with indecision as to when it would be brought before the House. I have tried and Members of this House have tried to ascertain when it would come before the House. There has been no definite word

given as yet except that it might be brought up tomorrow or it might be brought up next Monday, I assume, in case we do not adjourn sine die. For that reason, I would like to know, in order that I may answer questions, as to when this bill will be brought up. There is much that I could say that I will not say. I am asking the question in the interest of procedure in this House. I want it to be known that if I do not get a definite answer, then there is left to me only one course to pursue, and that will be to object to every unanimous-consent request that is made for the transaction of business with the exception of those consents that are asked for the introduction of personal remarks in the RECORD; that is, until I get a definite answer as to when this bill will be brought up.

Now, this is not based upon impatience. I would have the membership of the House know that there is no one in this House that has shown greater patience with respect to this matter than I, but there comes a time when patience ceases to be a virtue. And, I assure you it is not a pleasant situation for me to be placed in, to take this position before the House, and I only do it in the way in which I am doing it in order that the House may know, in the event that it is necessary for objections to be made as I have indicated, the reason for it.

This piece of legislation, in my opinion, would pass this House practically unanimously if it was given an opportunity, and I am determined, if the power lies within one individual or more to stop it from coming up, then I am hopeful that maybe a course of action, such as I have indicated, by one Member of the House can bring it to a vote in this House for the benefit of those who are anxious to vote upon this measure.

Mr. Speaker, I withdraw my reservation of objection unless someone wishes to answer my question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Indiana.

Mr. HALLECK. It might have been a little better if the gentleman had discussed the matter with me.

Mr. WOLVERTON. I have done so several times.

Mr. HALLECK. May I say this to the gentleman?

Mr. WOLVERTON. How many times do I have to discuss it? I do not want to say everything at this time that I could say.

Mr. HALLECK. Neither do I.

Mr. WOLVERTON. But I have said what I meant, anyway. Are you willing to give us any time when this will be brought up, when we will be recognized?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. Certainly.

Mr. HALLECK. I have in my hand a list of measures on which rules have been granted.

Mr. WOLVERTON. That is right—

Mr. HALLECK. A rule was granted on your bill to which you refer on July 22.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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CONTENTS

Appropriations.....18	Insects.....4	RLA.....27
Atomic energy.....27,30	Labor standards.....40	Retirement.....9,26
CCC.....2,17,19	Lands, reclamation.3,10,22	Roads.....32
Coffee.....15,28	transfer.....13,23	Surplus commodities..17,33
Committee staffs.....16	Legislative program.....25	Taxation.....35
Commodity exchanges.....15	Life insurance.....9	Textiles.....31
Dual compensation.....9	Loans, farm.....1,3	Transportation.....7,11
Education.....37	Mexican fence.....20	Travel.....11
Family-size farms.....14	Minerals.....38	Vocational rehabilitation
Farm program.....24,25,34	Monopolies.....2739
Flammable fabrics.....12	Nomination.....19	Water compact.....8
Foreign aid.....17	Personnel.....9,26,29	Water facilities.....1
Forestry.....5,21,24,36	Plant diseases.....4	Water resources.....6
Grain.....2	Prices, support.....29,30	

HIGHLIGHTS: House passed bills to: Cooperate with Mexico and Canada on insect and plant-disease control, authorize long-term leases for forest lands, permit CCC corn sales at lower prices, provide group life insurance for Federal employees, authorize Interior to make loans for reclamation projects. House concurred in Senate corrections of water-facilities loans bill. Reps. Hope and McCormack discussed bill to extend Commodity Exchange Act to coffee. Rep. Patman urged Government aid for family-size farms. Senate passed mutual security bill. Senate debated supplemental appropriation bill, agreeing to committee amendments and further increase in FHA loans. Senate confirmed Butz nomination to CCC Board. Senate committee ordered reported Mexican boundary fence bill. Sen. Knowland announced that debate will begin today on farm program bill.

HOUSE

1. WATER-FACILITIES LOANS. Agreed to the Senate corrections of S. 3137, to amend the Water Facilities Act (pp. 12415-6). This bill will now be sent to the President.
2. CCC GRAIN. Passed as reported H. J. Res. 563, to authorize CCC, until Mar. 1, 1955, to sell at the point of storage any feed grain owned by the Corporation at 10% above the current support price for the commodity (p. 12442). The Agriculture Committee reported the measure with amendment earlier in the day (H. Rept. 2609)(p. 12455).
3. RECLAMATION LOANS. Passed as reported H. R. 5301, under which State and local public agencies could plan, construct, and operate projects costing not over \$5 million and receive substantially the same benefits as they would receive if the projects were being constructed as Federal reclamation projects. The bill authorizes the Interior Department to make loans for that portion of a project which would be reimbursable if it were being constructed as a Federal project, and grants for that portion of the project which would be nonreimbursable if it were being constructed as a Federal project. (pp. 12438-40.)
4. INSECTS; PLANT DISEASES. Passed without amendment S. 3697, to authorize

cooperation with Canada or Mexico, or local authorities in those countries, in the control of incipient or emergency outbreaks of insect pests and plant diseases (p. 12383). This bill will now be sent to the President.

5. FORESTRY. Passed as reported H. R. 1254, which authorizes the issuance by Federal agencies of permits, leases, or easements to States or local governments for periods not to exceed 30 years, on lands within their respective jurisdictions (p. 12382).
6. WATER RESOURCES. Passed as reported H. R. 2843, to authorize the Interior Department to investigate and report to Congress on the conservation, development, and utilization of water resources in Hawaii (p. 12381).
7. TRANSPORTATION. Passed without amendment H. R. 6310, to exempt from CAB regulations the transportation of livestock, fish, floricultural, and horticultural commodities (p. 12384).
8. WATER COMPACT. Passed without amendment S. 3699, approving an interstate compact regarding Sabine River waters (p. 12388). This bill will now be sent to the President.
9. PERSONNEL. Passed without amendment S. 3681, authorizing the Civil Service Commission to make available group life insurance for Federal employees (pp. 12421-7). This bill will now be sent to the President. For its provisions see Digest 126.
Passed as reported H. R. 7785, to make permanent the increases in regular annuities under the Civil Service Retirement Act which were granted by Public Law 555, 82nd Cong., and extend such increases to additional annuities purchased by voluntary contributions (p. 12392).
Passed as reported H. R. 9909, to prohibit payment of annuities, under the Civil Service Retirement Act, to Federal officers and employees convicted of certain crimes (pp. 12412-4).
Passed without amendment H. R. 5718, to limit to 6 years the period for collection by the Government of compensation received by officers and employees in violation of the dual compensation laws (p. 12393).
10. RECLAMATION. Passed without amendment H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (pp. 12440-1).
The Interior and Insular Affairs Committee ordered reported S. 118, authorizing the Washita River Basin project, Okla. (p. D938).
11. TRANSPORTATION; TRAVEL. The Interstate and Foreign Commerce Committee ordered reported S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act (p. D938).
12. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee ordered reported S. 3379, to exempt from the Flammable Fabrics Act certain fabrics which are not highly flammable (p. D938).
13. LAND TRANSFER. Passed as reported H. J. Res. 550, to permit Federal release of reversionary rights of certain property (formerly FHA) for school purposes in Kern County, Calif. (p. 12394).
14. FAMILY-SIZE FARMS. Rep. Patman recommended that Government programs be

a period and strike out the remainder of line 21.

Mr. DOWDY. Mr. Speaker, I understand that this amendment has been agreed to.

Mr. MILLER of Nebraska. Mr. Speaker, we have no objection to the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas [Mr. Dowdy].

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BLACK CANYON IRRIGATION DISTRICT

Mr. BUDGE. Mr. Speaker, I ask unanimous consent to return to Consent Calendar No. 514, the bill (H. R. 9630) to authorize the Secretary of the Interior to execute an amendatory contract with the Black Canyon Irrigation District, Idaho, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. GAVIN. Mr. Speaker, reserving the right to object, I want to call the attention of the Members of the House to these bills that have been going through with great regularity after the Government has made contracts on these reclamation and irrigation projects. If the contract is for a period of 50 years, legislation is later introduced to extend the contracts to 75 years. Now it would appear as if eventually these contracts may be extended in perpetuity. If these contracts are not valid when they are entered into, we certainly should not be compelled to grant an extension of time. These projects ought to be amortized on a sound basis when the contract is entered into. In the future any of these authorizations to extend the time of payments another 25 years is going to be passed over my objection. Under the circumstances, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Idaho [Mr. BUDGE]?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to execute on behalf of the United States the amendatory repayment contract with the Black Canyon Irrigation District, Idaho, negotiated pursuant to section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187, 1192; 43 U. S. C., 1946 edition, sec. 485f) and approved by the District's electors on April 20, 1954.

SEC. 2. The Secretary is further authorized, on the basis of the principles set forth in the revised allocation and repayment report for the Boise Federal reclamation project, Idaho, dated September 21, 1953 (which report is in part the basis upon which the above-described amendatory repayment contract was negotiated), and subject to then existing contractual obligations of the United States in relation to the Boise project

(1) to coordinate his operation of the facilities of the project with that of other Federal installations on the Boise and Payette Rivers, (2) to allocate an appropriation portion of the construction cost and of the operation and maintenance costs of the project to each of the functions (primarily irrigation, including irrigation power, commercial power, and flood control) served by it, and (3) to account for the return of the reimbursable allocations in accordance with the Federal reclamation laws.

SEC. 3. The last 3 provisos to the portion of the act of June 5, 1924 (43 Stat. 390, 416), relating to the Boise project, and the proviso to the portion of the act of March 4, 1929 (45 Stat. 1562, 1590), also relating thereto, are hereby repealed.

SEC. 4. As used in this act, the term "Federal reclamation laws" means the act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto.

SEC. 5. This act is declared to be a supplement of the Federal reclamation laws.

With the following committee amendment:

On page 2, line 10, strike out "appropriation" and insert "appropriate."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEVELOPMENT OF WATER STORAGE FACILITIES

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (S. 3137) to make the provisions of the act of August 27, 1937, relating to the conservation of water resources in the arid and semi-arid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, with amendments of the Senate to amendments of House thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the bill and Senate amendments, as follows:

After the word "farming", insert a comma. In line 6 strike out the word "improvement" and insert "improved."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and I shall not, I would like to ask the gentleman from Kansas a few questions, not related to the bill, and about which I am anxious to get some information. I would have asked them if another bill on the calendar had not been passed over.

There is a bill that has passed the Senate that would put coffee under the Commodity Exchange Act. Also another bill that passed the House to include onions which has a Senate amendment to include coffee which is now on the Speaker's desk.

Can the gentleman enlighten me if it is the intention of the gentleman or his committee to take any action on including coffee at this session of the Congress?

Mr. HOPE. I am glad to say to the gentleman that the committee has been studying the recent report of the Federal Trade Commission on that subject, with the thought of determining whether or not legislation that is pending would in any way meet with the recommendations that are made by the Federal Trade Commission. We have discussed the matter in the committee no later than this forenoon. While the committee has not arrived at any specific decision thereon, it appears that the recommendations of the Federal Trade Commission would call for considerably broader legislative enactment than is contained in the legislation now pending before the Congress. The feeling of the gentleman from Kansas is that the committee should give further study to this entire question before taking any action on the matter.

Mr. McCORMACK. That would mean there would be no action taken at this session of the Congress to put coffee under the Commodity Exchange Act?

Mr. HOPE. I think it would be impossible, owing to the fact that the session is nearing the end, to take action which would enable us to study or carry out the recommendations made by the Federal Trade Commission.

Mr. McCORMACK. But does the gentleman think that this particular matter should be held up so that proper study of the Federal Trade Commission's report and recommendation, which enables control of gambling and speculating to be regulated to some extent? It seems to me that it is very evident there has been tremendous speculation in coffee, and it is a simple question whether or not coffee should be put under the Commodity Exchange Act.

Mr. HOPE. On the contrary, may I say to the gentleman the committee held extensive hearings a number of weeks back on this question. Frankly, the proponents of legislation to put trading in coffee under the regulation of the Commodity Agency in the Department of Agriculture, in the opinion of members of the committee with whom I have talked failed to make out a case in that respect. I do not say that is necessarily the conclusion the committee might come to after further study. But certainly a very weak case was made out for the legislation at that time.

Mr. McCORMACK. Is there any doubt in the gentleman's mind but what there has been tremendous speculation in coffee in the past year or so?

Mr. HOPE. Yes. The evidence before the committee indicated that there was very little speculation in coffee on the futures market, and all of the trading took place and all of the speculation, if you call it that, was on the spot market. I might call the gentleman's attention to the fact that during this entire period when the price of coffee was going up the futures market on coffee was considerably below the spot market, which would indicate that the manipulation and speculation, or whatever it was that was going on, was in the spot market and not in the futures market. These are all matters the committee has given con-

sideration to. Of course, we all realize that some things have been taking place entirely outside of this country that have more to do with the increase in the price of coffee than anything that could possibly have happened in this country.

Mr. McCORMACK. I am somewhat amazed at the gentleman's statement that there is very little speculation taking place in coffee in the last year, because certainly the impression I had was distinctly to the contrary, and I thought the evidence was to the contrary.

Mr. HOPE. If the gentleman will permit, I would like to have the gentleman read the hearings before our committee. I believe he will agree that they support the statement I have made that a very weak case was made out for placing trading in coffee under the regulation of the authority of the Department of Agriculture.

Mr. McCORMACK. I take it from the gentleman's remarks that there is no hope of the Senate amendment being brought up unless it would be by unanimous consent or under a rule from the Committee on Rules enabling the House to vote on the question of whether or not coffee should be covered by the Commodity Exchange Act.

Mr. HOPE. I want to say that the committee intends to pursue this matter further. We intend to go to the very bottom of it, but I am not at all certain that it can be done during the remainder of this session. I do not think we have an opportunity to get at the real question which is involved here.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GROSS. I want to commend the gentleman from Massachusetts for raising the question. It seems to me that the Federal Trade Commission report indicated that something ought to be done. Unless however the chairman of the Committee on Agriculture agrees to take the bill from the Speaker's desk with the amendment, I do not see how it can be done during the present session.

Mr. McCORMACK. I thoroughly agree with the gentleman.

Mr. GROSS. The housewives of the country are being fleeced every day.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JACKSON. I would like to say with respect to the amendment on coffee which was added in the Senate, that if an attempt is made to take it from the Speaker's table and pass it by unanimous consent, I, as chairman of the Subcommittee on Inter-American Affairs, would feel constrained to object.

I say that the matter of any possible manipulations of the coffee market in this country should be gone into further at this time, especially a matter with such implications for our relationships between the 5 or 6 coffee-growing countries and our own.

Any action in this House with respect to a commodity which is not an actual commodity of this country is going to be taken as an affront by the coffee-growing

countries. Actually, the only countries of South and Central America today which are in a substantial position are those countries which are growing coffee.

It boils down to this, in my opinion, with reference to this matter: Either we must permit these countries to maintain their economies charging whatever prices are necessary in their opinion, or we revert to a process of grants-in-aid, as we have done elsewhere throughout the world to bolster unsound economies.

I do feel, however, that the whole matter of coffee both from the very inception from the planting to the harvesting of the coffee, taking into consideration all of the natural difficulties which we know have been experienced in some of the countries, on through the export processes and into the market place should be made a matter of a far more intensive study than has already been accomplished.

Simply to take this one foreign product and say we are going to govern how that is handled in the market place, I believe, has some inherent implications that are very bad.

Mr. McCORMACK. The gentleman realizes, of course, that the amendment to which I referred in no way tells other countries what they shall do; we are not dictating to other countries. It only affects speculation within the United States, and certainly I do not see where that is an affront to any other country. No other nation is involved. We are not trying to project ourselves into other countries and dictate to them. We are trying to regulate and control speculation within the United States; and, certainly, with all due respect to my distinguished friend, his argument is a very fine one which in some aspects I agree with. But in this particular case I do not see its applicability.

Mr. JACKSON. I was simply suggesting that I think the entire matter should be made the subject of a far more detailed study than has been made up to the present time because of the implications which exist. I have been through the countries on a number of occasions and I know every time this subject is mentioned it causes a sort of alarm throughout the hemisphere.

Mr. McCORMACK. A bill passed this House putting onions under this act. Does the gentleman think coffee is as important as onions?

Mr. JACKSON. There are very few countries in the hemisphere which have any particular concern about onions.

Mr. McCORMACK. We are not concerned with other countries. This bill if put into operation covers only speculation in the United States and certainly the coffee producing countries should be pleased to have speculation controlled in the United States because they are incorrectly blamed for it.

Mr. JACKSON. Let us determine to what extent the speculation has taken place. If it has taken place in fact then is the time to move in on it.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. HOPE]?

There was no objection.

The Senate amendments to the House amendments Nos. 1 and 3 were concurred in.

A motion to reconsider was laid on the table.

MODERNIZATION AND IMPROVEMENTS OF CERTAIN MERCHANT-TYPE VESSELS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense, with House amendments thereto, insist on the House amendments and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. TOLLEFSON, ALLEN of California, RAY, BONNER, and SHELLEY.

AMENDING SECTION 413 (B) OF THE FOREIGN SERVICE ACT OF 1946

Mr. VORYS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 9910) to amend section 413 (b) of the Foreign Service Act of 1946.

The Clerk reads as follows:

Be it enacted, etc., That section 413 (b) of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"(b) A person appointed as a Foreign Service officer of classes 1 through 5, inclusive, shall receive salary at the minimum rate provided for the class to which he has been appointed, except that until March 31, 1955, not more than 500 persons may be appointed at other than the minimum rate."

The SPEAKER. Is a second demanded?

Mr. HAYS of Arkansas. Mr. Speaker, I demand a second.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, when a second is demanded, is that Member supposed to be opposed to the bill or can a second be demanded by someone for the bill?

The SPEAKER. The Chair has no idea of what the position of the gentleman from Arkansas is concerning this bill. Opposition to the bill would naturally get preference.

Mr. VORYS. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, this bill adjusts salary rates so that a person entering the Foreign Service from the State Department

AN ACT

To make the provisions of the Act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes", approved August 28, 1937 (50 Stat. 869), is amended—

(1) By deleting the phrase "in the arid and semiarid areas of the United States" from the first sentence in the first section;

Water facility
loans.

16 USC 590r-
590x.

16 USC 590r.

(2) By deleting the phrase "in the arid and semiarid areas of the United States" in the last sentence of the first section and inserting in lieu thereof the following: "in the United States, including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands".

68 Stat. 734.

68 Stat. 735.

(3) By deleting the phrase "in the said areas" wherever it appears in section 2.

16 USC 590s.

(4) By inserting at the end of said Act the following new sections:

"SEC. 8. No aid shall be extended under the provisions of this Act which will result in any individual, partnership, trust, estate, corporation engaged in farming, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any other corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

Limitations.

"SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

Farm land
improvement.

"SEC. 10. (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this Act and are in furtherance of its objectives, the Secretary of Agriculture—

Loans by other
than U. S.
Insurance pro-
gram.

"(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

"(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

"(3) shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this Act;

60 Stat. 1072.
7 USC 1005a,
1005c.

"(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: *Provided, however,* That the charge shall be payable in advance at intervals of one year or less and shall be

at a rate equal to at least 1 per centum per annum of the principal outstanding on the loan insured on the due date of the charge;

"(5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

"(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund; and

"(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this Act.

"(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.

"(c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this Act.

"(d) Any contract of insurance executed by the Secretary under this Act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this Act.

"(e) The aggregate amount of the principal obligations on loans insured under this Act, shall not exceed \$25,000,000 in any one fiscal year.

"(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 edition, 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the Act of August 28, 1937, as amended'."

SEC. 2. Section 7 of the Act entitled "An Act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States", approved August 11, 1939, as amended (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

Approved August 17, 1954.

68 Stat. 735.
68 Stat. 736.

7 USC 1005a,
1005c.

Limitation.

38 Stat. 273.

Repeal.

16 USC 590z-5.

tee which was added in the Senate, or
if an attempt is made to take it from
the Speaker's table and pass it by unan

Extension of remarks of Rep. Whitten criticizing the administration's farm bill (pp. A6148-9).

Sen. Fulbright inserted a Democratic Digest article, "GOP Farm Program Is Divide and Conquer," criticizing the administration's farm program (pp. A6154-5).

Sen. Bennett inserted a Boston Herald editorial, "The Farm Bill Mouse," which is made up of quotations from the statements of Sen. Watkins on the floor of the Senate (pp. A6158-9).

28. RESEARCH. Rep. Multer inserted a New York Herald Tribune article describing some of the accomplishments and objectives of research foundations (pp. A6153-4).

29. WATER FACILITIES. Rep. Hope commended the President for his interest in the conservation of soil and water resources and inserted the statement made by the President when he signed S. 3137, to amend the Water Facilities Act (pp. A6165-6).

30. WHEAT. Rep. Hope inserted Dr. J. T. Sanders' statement, "Will a Multiple-Price System of Price Support Feed?", which has been prepared in response to arguments made against a two-price system for wheat (pp. A6171-2).

31. SURPLUS COMMODITIES. Rep. Horan inserted an "Inland Register" (Spokane, Wash.) editorial favoring the donation of surplus food to undernourished countries (p. A6139).

32. JUMP MEMORIAL. Rep. Cannon inserted USDA's announcement of the names of the newly-appointed trustees for the William A. Jump Memorial Foundation (pp. A6142-3).

33. SUBSIDIES. Extension of remarks of Rep. Gwinn, criticizing Government subsidies including price supports and TVA (pp. A6145-6).

BILLS APPROVED BY THE PRESIDENT.

34. WATER FACILITIES LOANS. S. 3137, extending to the entire U. S. certain provisions of an act of 1937 relating to conservation of water resources.. Approved August 17, 1954 (Public Law 597, 83rd Cong.).

35. PERSONNEL. S. 3681, authorizing the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service. Approved August 17, 1954 (Public Law 598, 83rd Cong.).

venience or political expediency. I, for one—and I deeply feel there are a great many others who agree with me—am willing to stay on the job until our full duty is conscientiously discharged.

BILLS INTRODUCED

Mr. Speaker, this summary would be highly inadequate if I did not list, in part, some of the bills I introduced in the 83d Congress. They follow:

H. R. 3369, to carry out the recommendations of United States Tariff Commission with respect to duty concessions on Swiss watch movements.

H. R. 3603, to provide for the establishment of a commission to investigate and make recommendations with respect to the distribution of governmental functions and sources of revenue within the framework of our Federal, State, and local systems of Government.

H. R. 4261, to indemnify drivers of motor vehicles of the postal service against liability for damages arising out of the operation of such vehicles in the performance of official duties.

H. R. 4262, to establish a Federal Commission for the Physically Handicapped.

H. R. 5139, to incorporate Wounded Combat Veterans, now known as The Military Order of the Purple Heart.

H. R. 5826, to authorize the President to donate surplus Federal property to individuals in a major disaster area.

H. R. 8484, to amend tariff Act to insure that crude silicon carbide imported into the United States will continue to be exempt from duty.

H. R. 8574, to amend the Servicemen's Readjustment Act of 1944 so as to reduce from 4½ percent to 4 percent the maximum interest rate on home loans made, guaranteed, or insured under that act.

H. R. 9840, to provide for programs of public facilities construction which will stimulate employment in areas having a substantial surplus of labor, and for other purposes.

H. R. 9965, to provide for loans to enable needy and scholastically qualified students to continue post-high-school education.

H. R. 10003, granting the consent of Congress to certain New England States to enter into a compact relating to higher education in the New England States and establishing the New England Board of Higher Education.

H. R. 10004, to provide for emergency Federal assistance to the States and Territories in the construction of public elementary and secondary school facilities urgently needed because of overcrowding, and to encourage full and efficient use of State and local resources in meeting school construction needs, and for other purposes.

H. R. 10064, to provide for the establishment of a VA center for domiciliary and chronic care at the Cushing VA Hospital at Framingham.

H. R. 10095, to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States.

H. R. 10096, to provide for the establishment of a United States Foreign Service Academy.

Cosponsor of H. R. 9430, to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes.

H. R. 10239, to amend section 201 of the Immigration and Nationality Act, so as to provide that all quota numbers not used in any year shall be made available to immigrants in oversubscribed areas in the following year, and for other purposes.

A NECESSARY PERSONAL NOTE

Mr. Speaker, 8 years ago, following my release from active military service, I presented my qualifications to the voters of the Fourth Congressional District in Massachusetts for the honor and privilege of representing them in the United States Congress. They accepted me in November of 1946 and reelected me in 1948, 1950 and 1952.

No man could help but be deeply inspired and gratified by the confidence the people of my district demonstrated in electing me as their national representative to the 80th, 81st, 82d and 83d Congresses.

Since the day of assuming the responsibilities of Congressman, I have conscientiously worked to justify that confidence and trust. The full facilities of my office have been energetically and courteously extended, at all times, for personal service to my constituents. I have cooperated, on every occasion, with the community agencies, social, fraternal, and racial organizations of my district in the promotion of their various objectives.

The expressed wishes of the majority of the people I represent, and a thorough study of the issues involved, have been the foundation for my judgment and action on legislation to advance the best interests of my district and the Nation.

I am happy to present this summary of my voting record on domestic and foreign legislative measures to my people.

CONCLUSION—TIMELY COUNSEL FROM A GREAT AMERICAN

Mr. Speaker, the words of wise authority remain forever as comforting beacons of guidance in troubled, distressing hours. A counseling message to all Americans is contained in the following extract from a speech given at Harvard University graduation exercises on June 30, 1910, by the late great Chief Justice Charles Evans Hughes:

The most important agencies of democracy are, after all, not the organs of government, but the influences that shape public opinion. * * * Democracy must prize its public life. It has stripped it almost altogether of ceremonial and of meaningless and absurd forms. It has placed the public officer in a position of power, to be used for service. * * * Having surrounded him with none of the pomp which makes appeal to the thoughtless and ignorant, it must invest him with the higher honor which should be the reward of fidelity. Those who cultivate the true democratic spirit will be as earnest in their support of faithful officers as they are unsparing in their condemnation of the faithless.

Eisenhower Administration Leads Way Toward Cooperation Between Farmers and Government, To Conserve the Nation's Soil and Water

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 16, 1954

Mr. HOPE. Mr. Speaker, on yesterday the President signed the amendment to the Water Facilities Act which makes the benefits of that act available throughout the entire Nation and provides for both direct and insured loans for water facilities. In addition the act is greatly broadened by setting up a program for direct and insured loans for soil conservation activities. This act, taken in connection with the Watershed Protection and Flood Prevention Act and the provision in the tax bill which permits the deduction of expenditures for soil conservation practices for income-tax purposes, constitutes a real legislative achievement in the field of soil and water conservation. It is a recognition by this Congress and the Eisenhower administration of the tremendous importance of conserving our soil and water resources. I know of no one who has taken a greater interest in this subject than President Eisenhower. This interest is indicated by the fact that at the time he signed the Water Facilities Act, the President issued a statement in which he discussed the importance of all three of the legislative proposals to which I have referred. I am sure every Member of Congress and every citizen who is interested in conservation, and that certainly includes most of us, will be cheered and encouraged by this splendid statement. Under leave to extend my remarks in the RECORD, I include the statement herewith:

I am happy today to sign into law the amendment to the Water Facilities Act.

This is one of three legislative actions taken by the 83d Congress which give important new strength to our national efforts to conserve the vital water and soil resources of the United States. This legislation is of high significance in the movement which came to life 50 years ago when Theodore Roosevelt gave new meaning to the word "conservation."

This legislation is significant because it gives new stimulus to local initiative and establishes for the first time a nationwide program of conservation practices based on the concept that farms, streams, forests, and towns are all interrelated parts of a watershed. It recognizes in practical terms that the upstream part of the watershed, as well as the downstream part, must be taken into our plans if we are to have the water we vitally need and if we are to solve with maximum effectiveness three of our most challenging problems—soil erosion, floods, and drought.

The first of these bills is the Watershed Protection and Flood Prevention Act. This act recognizes by law for the first time the great importance of upstream watershed protection in our overall water resource policy.

For the first time also, this act provides a broad program of Federal technical and financial assistance to such local watershed groups as are willing to assume responsibility for initiating, carrying out, and sharing the costs of watershed protection which will help conserve water for agricultural uses and supplement any needed downstream flood-control measures.

The second bill amends the Water Facilities Act. Formerly limited to the 17 Western States, the program established by this act makes available, throughout the entire Nation, loans for developing agricultural water improvements on farms and ranches. In addition, this law establishes a program of direct or insured loans for drainage facilities, reforestation, and other water and soil conservation measures. Farmers and ranchers frequently need credit to take care of the initial investments required in establishing conservation systems, or to tide them over an adjustment period while they shift to a better and, in the long run, more profitable type of land use. These new credit provisions, specially geared to conservation needs, provide a significant means of encouraging and advancing soil and water conservation. The third legislative action is part of the congressional revision of the internal revenue laws. It allows farmers and ranchers to treat expenditures for a number of soil conservation measures as current annual expenses which may be deducted from farm income in computing income taxes. This act therefore gives farmers new tax advantages on these land improvement measures. Not only will these advantages benefit the farmer financially; they will also add incentive to the application of soil and water conservation measures.

These three bills rest on several sound principles.

First, we recognize that it is absolutely urgent to conserve and improve our water resources. For water is essential to every part of our life, and in quantities that are usually unsuspected. It takes 18 barrels of water, for example, to refine a barrel of oil. It takes 85,000 gallons to produce a ton of rubber. It takes something like 800,000 gallons of water to mature an acre of cotton. It takes some 1,300 gallons of water each day to supply the direct and indirect needs of each one of our citizens. As our population increases, so will these demands.

Even these statistics do not drive home the urgency of adequate water supplies nearly so well as the personal experiences many Americans have had this very summer—of insufficient water for crops and livestock, of failing wells, of restrictions on use of water in towns. Some of our cities have had to seek means of supplementing their failing or depleted reservoirs. Some have had to haul water from nearby streams. In rural areas, there has been a growing call for water for irrigation. These facts add up to a hard warning: we cannot afford to waste water.

Any attempt to conserve this water should take into account a key fact: that this all-important water—the water we use on our farms, in our homes, in our businesses, or in our factories—has been collected from all the lands of the watershed, beginning at its uppermost limits. Our streams, our deep wells, our storage reservoirs are merely accumulations of water that have fallen on the land in the form of rain or snow. Some of it runs off in creeks and rivers. Some of it evaporates. Some soaks in to nourish crops and trees. Some finds its way into springs or into the sands we tap with our wells. How much water runs off, and how fast, and how much soaks in to feed our crops and springs—these quantities depend in large measure on what kind of land it falls on, what this land is used for, and what kind of cover—trees, grass—the land has.

For this reason our water management programs must not go to work only in large streams or rivers, though the flood-control

and other measures there are of enormous importance. Our programs to conserve water must begin where the raindrop falls. And because of the extensive erosion and sedimentation damage which result from floods in headwater streams and small tributaries, and also because these parts of the watershed have up to now been relatively neglected in conservation planning, these programs must put new emphasis on their management.

Under the Watershed Protection and Flood Prevention Act, sound soil conservation plans will be developed to establish the right use for each kind of soil on all the farms of a watershed. Soil conservation will be supplemented where necessary with small detention dams, channel improvements, or other measures to protect the fertile bottomland along these small streams.

These measures will be of pronounced benefit to agriculture. More and more American farmers are coming to realize that good land use and land treatment can help them to conserve water as well as soil. They are seeing the advantages of inducing as much water as possible to soak into the ground where it falls—water which will help grow crops and help recharge underground water supplies that are tapped by farms and by cities and industries. Thus an accelerated soil conservation and watershed program will also benefit urban centers by helping to keep sediment from cutting down the storage capacity of our large city reservoirs. It will reduce the amount of silt that has to be filtered from water before it can be used by city water systems or by industry. And it will help lessen the damage caused by drought and thus help stabilize areas where this hazard has been unusually severe.

Another significant contribution of the watershed legislation is that it gives new force and emphasis to local leadership. Its programs are not Federal work projects; no new agencies will have to be created to carry them out. These programs will be planned only at the instance of local people. They will be planned with the cooperation and participation of local and State governments. They will be initiated only when local people have demonstrated their willingness and ability to share equitably in the cost and to assume responsibility for direction and maintenance of the work.

The watershed and water development programs will also encourage a new and improved means of local-State-Federal teamwork. Locally, rural and urban interests must join forces in sponsoring and contributing to the programs—contributing the funds, labor, material, lands, easements, and other needs that can best be supplied by local organizations. State and county governments are also involved. Floodwater retarding dams, sediment control structures, channel stabilization measures, and the like, on the tributary streams, represent measures which individuals cannot be expected to install by themselves, and which may properly require State or even Federal aid because their benefits extend beyond the local community. The Federal Government also has a major roll in providing technical, research, financial, and educational assistance.

To do this work, all levels of government and private endeavor must cooperate. And there will be a call for increased effort in the future. Because our population is growing rapidly, the demands upon the Nation's soil and water resources are bound to become heavier in the years ahead. But we do have the resources to match this growth if we manage them wisely. In the long run, it is absolutely vital to the welfare of farm and urban people, and to the strength of the entire Nation, that we work soundly and vigorously to protect and develop our Nation's vital water supplies and the related resources of farmland, range, and timber. In such a matter of national interest, we must act with effectiveness. These three measures show that we have so acted.

Culture and Greek Freedom

EXTENSION OF REMARKS OF HON. PHILIP J. PHILBIN OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 18, 1954

Mr. PHILBIN. Mr. Speaker, great Greek thinkers throughout the centuries have given a philosophy to the world which is one of the very basic foundations of modern civilization as well as a noteworthy source of free government. Plato, Aristotle, Epictetus, and many other great Greek thinkers nourished and developed democratic ideals, high ethical concepts and the culture of freedom. Greek philosophy is concerned with personal values and flatly rejects materialistic concepts of life.

Among the greatest orators in history were the Greeks. The Philipics of Demosthenes rank among the great orations of history.

The inspiring family life of the Greeks has enabled them throughout history to retain strong racial solidarity. Their zeal to sacrifice for their nation, loyalty to spiritual values, love of religion and belief in God which they have practiced for centuries, typify a truly great people. The Greeks have felt, as civilized Americans have felt throughout history, that worthwhile human progress and belief in God Almighty are inseparable. The doctrine that without faith in the Divine Master no nation can long survive is a basic feature of Greek civilization—a doctrine which must be recognized more fully by all peoples, if communism is to be successfully fought.

The achievements of Pericles, the leader of the Golden Age, are indelibly inscribed upon world history. There are few periods in all time where the fine arts, cultural life, and individual development in political and artistic values flowered in such a favorable climate as under his regime. Pericles and his contemporaries have long since gone, but the ideals they stood for, and the lessons they taught, the culture and civilizing influences they nurtured, will remain forever as an inspiration for mankind.

The famed Acropolis is a great monument which symbolizes a culture that has profoundly influenced human beings throughout the ages. It was the place of refuge and the inspirational center of glorious olden Greece. It was the place where Christianity took new and vigorous root. It still inspires the Greek people and the free world.

Aphrodite, the goddess of beauty, typifies the magnificent art of the Greeks, not only beauty in the physical sense, but beauty of the soul, of ideals, of thought and culture.

Prophecy in the world did not die with the Delphic oracle because the heroic fight of present-day Greece against communism which has electrified and inspired the world is a prophecy that in the future all democratic-minded peoples will militantly defend and preserve institutions of democracy and justice.

Sculptors, artists, writers, musicians, the drama, the stage, the harp and lyre